STATE OF SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 1991

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

COMPTROLLER GENERAL

Earle E. Morris, Jr., was first elected Comptroller General in 1976. He has been reelected to each subsequent term by the South Carolina electorate. Before becoming Comptroller General, he served in the State House of Representatives from 1951 to 1955, the State Senate from 1955 to 1970 and as the Lieutenant Governor from 1971 to 1975.

On the cover:

The military seals on the cover of this 1991 Comprehensive Annual Financial Report are the proud symbols of the American armed forces which call South Carolina home.

STATE OF SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30,

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Prepared by the Comptroller General's Office

COMPTROLLER'S MESSAGE...

RECESSION, RESPONSE, RECOVERY

1932.

As nearly as anyone in State government can determine, the State of South Carolina's Budgetary General Fund has not had a deficit fund balance since that year.

We have reason to take pride in this fiscal record.

The past two years saw physical and fiscal challenges caused by Hurricane Hugo. The recession arrived late in South Carolina due to the monetary windfall which followed the recovery in our State from this disaster.

Like most states we have felt the brunt of a faltering national economy based too much on debt and deficit.

Unlike all other states, we have a unique executive-legislative body called the State Budget and Control Board composed of five **ex-officio** members: Governor, Comptroller General, Treasurer, Senate Finance Committee Chairman and House Ways and Means Chairman. This Board recommends the State budget and all State spending.

One function assigned to the Board allows South Carolina to deal with economic downturns more quickly and effectively than other states. When a revenue shortfall is forecast, swift action is taken by the Board to reduce appropriations and revise revenue estimates. In 1990-91 these actions, along with our reserves, greatly lessened the effects of $154.583 million in expected revenues which did not materialize.

The State of South Carolina, unlike most, did <u>not</u> have a tax increase, widespread reductions in force, or employee furloughs. Essential services were maintained in fiscal year 1990-91.

Hopefully, our record of responsible financial stewardship will continue to serve our citizens well in a hoped for--

Recovery from Recession.

Earle E. Morris, Jr.

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

FORTRESS FOR FREEDOM

If this nation -- as an American President observed a half-century ago -- is the world's "Arsenal for Democracy," then South Carolina is surely its "Fortress for Freedom."

No state in the nation is more deeply involved in America's defense effort, with major installations of every branch of military forces.

When Operation Desert Storm was launched January 16, 1991, the United States forces included 7,000 active duty troops and equipment from seven military bases of the Air Force, Army, Marines and Navy in South Carolina, as well as 4,000 Guard and Reserve personnel from sixty-one units across the State.

More than 150 South Carolina-based airplanes were part of the assault which ultimately destroyed the Iraqi Air Force and decimated its Army. Lieutenant General Charles A. Horner of Shaw Air Force Base in Sumter, South Carolina, commanded a force of nine Allied divisions in the Gulf War and was architect of the successful air campaign.

South Carolina-based planes airlifted 6,500 soldiers to the Gulf and South Carolina-based ships carried another 3,000. More than 8,000 active duty Army personnel were processed in South Carolina on their way to the Gulf and four South Carolina military hospitals treated the wounded.

Military heritage comes naturally to South Carolinians. More battles of the Revolutionary War were fought on South Carolina soil than any other state and crucial American victories were won at Kings Mountain and Cowpens.

Today, the state boasts major military bases and posts of every branch of the service. Included among them are basic training locations for the Army (Fort Jackson) and the Marines (Parris Island), which train a total of more than 70,000 recruits each year.

The Charleston Naval Base is home to more than 27,500 active duty Navy and Marine Corps personnel and the State is home to three active duty air bases (Shaw and Myrtle Beach Air Force Bases and Beaufort Marine Air Station) as well as McEntire Air National Guard Base.

Charleston is headquarters for eight Coast Guard units and four cutters and the State's Port City is the site of one of the nation's two State-supported military colleges, The Citadel.

Military service is a way of life to South Carolinians and has been for centuries. It's an important part of the State's economy; more importantly, it is visible and tangible evidence of the patriotic spirit which South Carolinians consider second to none in the nation.

Architect of the successful air war of Operation Desert Storm was Lieutenant General Charles A. Horner, Commander of both the Ninth Air Force and United States Central Command Air Forces at Shaw Air Force Base in Sumter, South Carolina. General Horner commanded nine allied Air Forces during the Gulf War, as well as all American Marine, Navy, Army and Air Force assets. The result was destruction of the world's sixth largest air force and decimation of the fourth largest army.

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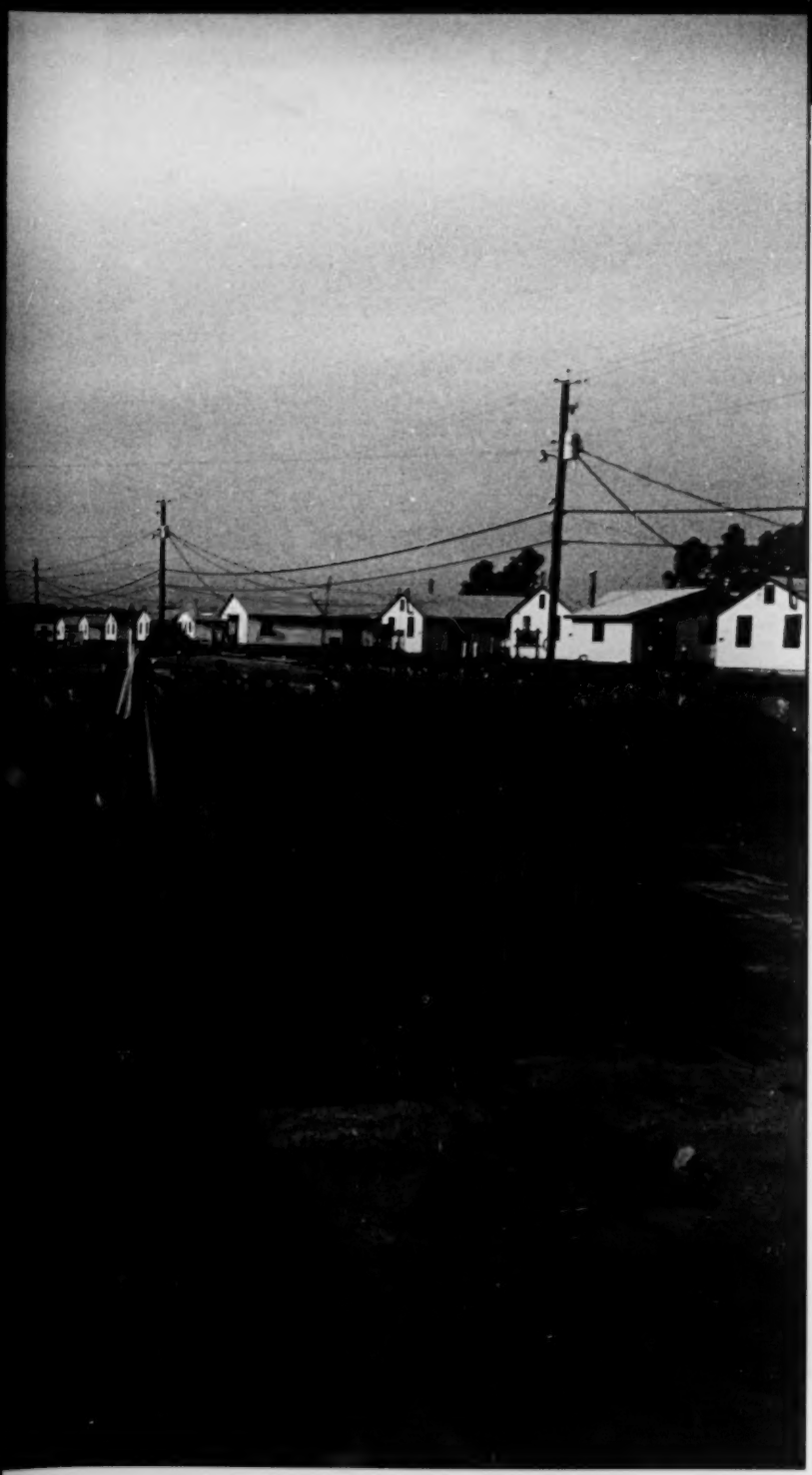
Introductory Section



Over 800 volunteers form South Carolina's State Guard, a force which celebrated its fiftieth anniversary in 1991. The State Guard traces its origins back to 1670 when the first militia was formed at Charles Town to protect the province against the threat of hostile Spanish and Indians.

STATE OF SOUTH CAROLINA
Office of Comptroller General

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December 20, 1991

To the Citizens, Governor and Members of the South Carolina General Assembly

It is my pleasure to present to the citizens of South Carolina this Comprehensive Annual Financial Report for the State of South Carolina for the fiscal year ended June 30, 1991. The report provides financial information about the State's operations during the 1990-91 fiscal year and describes its financial position at the end of that fiscal year.

Contained in the report is information for the use of all those interested in the State's finances, including South Carolina taxpayers, members of the General Assembly and directors of the State's executive agencies as well as those investors and creditors with whom the State has an ongoing business relationship.

For the convenience of users, we have divided the report into three sections as follows:

- The Introductory Section, containing this letter of transmittal, the Certificate of Achievement for Excellence in Financial Reporting for the June 30, 1990 report, a list of State officials and an organizational chart of State government.
- The Financial Section, consisting of the general purpose financial statements (combined statements and notes), combining financial statements, schedules, and required supplementary information.
- The Statistical Section, presenting non-financial and comparative financial data.

As the Comptroller General of South Carolina, I present these financial statements as my representations, and I express confidence that the information is accurate in all material respects. The citizens of South Carolina may be further assured that this report contains all material facts about the State's financial condition and thereby reflects my total commitment to accountability to the taxpayers through full public disclosure.

The State General Assembly and the Budget and Control Board exercise oversight authority over all accounting funds and entities included in this report. Members of the Budget and Control Board are the Governor (Chairman), the Comptroller General, the State Treasurer, the Chairman of the Finance Committee of the Senate and the Chairman of the Ways and Means Committee of the House of Representatives.

The most important element of oversight authority is financial interdependency. Other elements of oversight authority include selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

This report includes all organizational units of the State that are either controlled by or dependent upon the State's legislature or constitutional officers. Note (1a) in the Notes to the Financial Statements provides a more complete description of the State's reporting entity and the criteria used in defining it.

MAJOR INITIATIVES

The 1990-91 session of the South Carolina General Assembly was marked by attention to three major areas: (1) ethics standards, (2) environmental protection and (3) fiscal responsibility. Legislative initiatives included the following:

Ethics. The Ethics, Governmental Accountability and Campaign Reform Act of 1991 provides South Carolina with one of the most sweeping laws in the nation addressing campaign financing, lobbying and rules of conduct for public officials.

The legislation: (1) significantly restricts financial activity and increases reporting requirements of lobbyists; (2) tightens up record-keeping and reporting requirements of political candidates and puts caps on contributions and (3) strengthens prohibitions and restrictions against conflict of interest and the use of public office for personal gain. The legislation also beefs up the authority of the State's Ethics Commission and toughens penalties for violations.

Environmental Quality. The Solid Waste Policy and Management Act of 1991 responds to growing public concern over waste management in South Carolina. The bill addresses the need to recycle waste materials as well as provide some relief to the rapidly filling public landfills in the State.

The legislation establishes a statewide goal of 30% reduction in the amount of solid waste being received in municipal solid waste landfills as well as a statewide recycling goal of 25% of the solid waste generated. The legislation establishes a number of activities to support the goals and sets a 1997 deadline for achieving them.

Fiscal Responsibility. For the first time in several decades, South Carolina is budgeted to spend less money in one fiscal year (1991-92) than it spent in the previous year. That is in response to the lingering effects of the national recession, which caused the State's Budgetary General Fund's 1990-91 revenues to fall $154.583 million short of the official estimate.

Consistent with the State's strict requirements for balanced budgets, the General Assembly responded to the 1990-91 revenue shortfall by enacting a 3.3% budget reduction for 1991-92 in the waning days of the session. In addition, the Budget and Control Board implemented an additional 1% reduction in 1991-92 appropriations and further prohibited agencies from spending an additional 2% of their budgets. The Board may later reduce agency budgets by this 2% if economic conditions do not improve.

ECONOMIC CONDITION AND OUTLOOK

The economic recession made the fiscal year ended June 30, 1991, one of the most difficult in recent memory for the State of South Carolina. In November 1990 and in February 1991, downward revisions of estimated revenues prompted the Budget and Control Board to reduce the Budgetary General Fund's appropriations by $127.6 million. In addition, the Budget and Control Board froze certain State agency personnel and operating expenditure activities at their current levels. This effectively prohibited the filling of most vacant personnel positions and the initiation of most new purchase orders and contracts.

In the past, the State's budgetary accounting principles allowed revenue to be recorded only when the State received the related cash. On July 30, 1991, however, the Budget and Control Board approved a change in the budgetary basis of accounting to the modified accrual basis for the Retail Sales Tax. The purpose of this change was to provide a one-time resource to the Budgetary General Fund for the fiscal year ended June 30, 1991. Despite the resulting boost to unreserved budgetary fund balance, $60.7 million more was moved to unreserved budgetary fund balance from the General Fund Reserve at year-end.

The economy of South Carolina continued to expand during the first half of 1990-91 even as the nearly eight-year economic expansion at the national level came to an end. The National Bureau of Economic Research identified July 1990 as the peak of the business cycle, ending the second longest peacetime expansion on record. Bolstered by continued rebuilding from the destruction caused by Hurricane Hugo, the South Carolina economy maintained vitality through much of 1990-91.

The buildup of Operation Desert Shield activity affected the State's economic activity. Military traffic through South Carolina increased as troops were deployed to the Middle East from the ports of Charleston and Parris Island. Manufacturers increased output of military necessities such as uniforms, boots, dehydrated food, and textile-related goods.

As economic activity slowed nationally during the first half of 1990-91, the economy of South Carolina was able to forestall the slowdown by six months, showing growth in both employment and income. While United States non-agricultural employment grew at an average rate of 1.1% in the first half of 1990-91 (July through December), South Carolina added 44,700 jobs during this same period, posting a 3.0% gain in non-farm positions.

Post-Hugo non-agricultural employment increased 1.9% during the fiscal year ended June 30, 1991, adding over 29,500 jobs to payrolls and bringing the State's total non-farm employment to 1.556 million. During the same period, the United States experienced employment growth of 0.1%, far below that of South Carolina.

Personal income grew by 7.9% in the State for the fiscal year ended June 30, 1991. Distortions in the treatment of personal income associated with Hurricane Hugo in 1989 by the United States Department of Commerce led to an under-reporting of income in 1989-90 and an over-reporting of personal income in 1990-91. During the same period, personal income in the United States rose 4.8%, more than three percentage points below the rate for South Carolina. For the fiscal year ended June 30, 1991, unemployment in South Carolina was 5.7%, compared with the national rate of 6.3%. Throughout the slowdown in economic activity during 1990-91, South Carolina continued to outpace the nation as a whole.

In 1990, South Carolina invested $2.7 billion in capital investment in new and expanding facilities. Investment in metals, chemicals, and textiles represented 76% of all new investment spending supporting the State's traditional manufacturing base. During the past four years, over $11.5 billion has been invested in new and expanding facilities in South Carolina.

According to the consensus of mainstream economists, the outlook for economic growth in 1991-92 remains poor, with an upturn in growth occurring in the second quarter of 1992. Growth in real gross national product for the fiscal years ended June 30, 1992, and June 30, 1993, is expected to be less than three percent with inflation as measured by the Consumer Price Index in the 3.5% range. Personal income is forecast to rise at sluggish rates with consumer spending only keeping pace with income growth during 1991-92 and 1992-93.

The State's 1991-92 Appropriation Act was based on estimated revenues of $3.588 billion for the Budgetary General Fund. On July 26, 1991, the estimate of 1991-92 revenue was reduced to $3.440 billion. As a result, the State Budget and Control Board took measures to reduce appropriations accordingly.

FINANCIAL CONTROLS

Accounting Internal Controls

The Statewide Accounting and Reporting System (STARS) is the State's budgetary-basis operating accounting system. This double-entry system, installed in 1981-82, processes cash and budgetary transactions and maintains records for all budgeted funds and some unbudgeted funds. The State's higher education institutions and most of the enterprise entities maintain separate accrual-basis accounting systems.

An automated system in the Comptroller General's Office designed to allow reporting in accordance with generally accepted accounting principles (GAAP) converts budgetary-basis STARS data into the format presented in this report. State agencies which use STARS complete forms at year-end to adjust the budgetary-basis balances to conform with GAAP. The Comptroller General's Office enters data from these forms as well as from audited financial statements for the higher education institutions and most State enterprise entities into the GAAP reporting system.

The State's internal accounting controls provide reasonable, but not absolute, assurance regarding:

- The safeguarding of assets against loss from unauthorized use or disposal
- The reliability of financial records for preparing financial statements and maintaining accountability for assets

The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefits.

Budgetary Controls

South Carolina's annual Appropriation Act includes legally adopted budgets for the Budgetary General Fund and for aggregated Other Budgeted Funds. Except for Retail Sales Taxes, which in the future will be estimated on a modified accrual basis, the State estimates revenues on a cash receipts basis. Appropriations for 1990-91 covered all expenditures deemed applicable to that year and paid on or before July 19, 1991. Unexpended Budgetary General Fund appropriations lapse unless the Appropriation Act specifically authorizes agencies to carry them forward to the next fiscal year.

State law does not require encumbrance accounting. Accordingly, the State does not record encumbrances (except for some higher education institutions). The State currently maintains budgetary control for expenditures at the level of major object class within each program of each organizational unit. Except for accounts of higher education institutions and the Department of Highways and Public Transportation, STARS checks to be sure that an account has sufficient remaining appropriations before it will charge an expenditure to that account. Organizational units may request transfers of appropriations among major object classes and/or among programs within the same budgetary fund. The Budget and Control Board has authority to approve these appropriation transfers within certain limits.

The initial budget appears in the annual Appropriation Act. The Budget and Control Board reduces the Budgetary General Fund's appropriations during the year if it anticipates a year-end operating deficit. Likewise, the State Board of Economic Advisors may recommend and the Budget and Control Board may approve revisions of estimated revenues of the Budgetary General Fund during the year, if necessary. As explained above, such revisions were necessary during the fiscal year ended June 30, 1991.

In some years, the General Assembly passes a Supplemental Appropriation Act. During 1991, however, no Supplemental Appropriation Act was enacted.

State law specifies procedures for processing requested budget changes in Other Budgeted Funds and for permanent improvement projects.

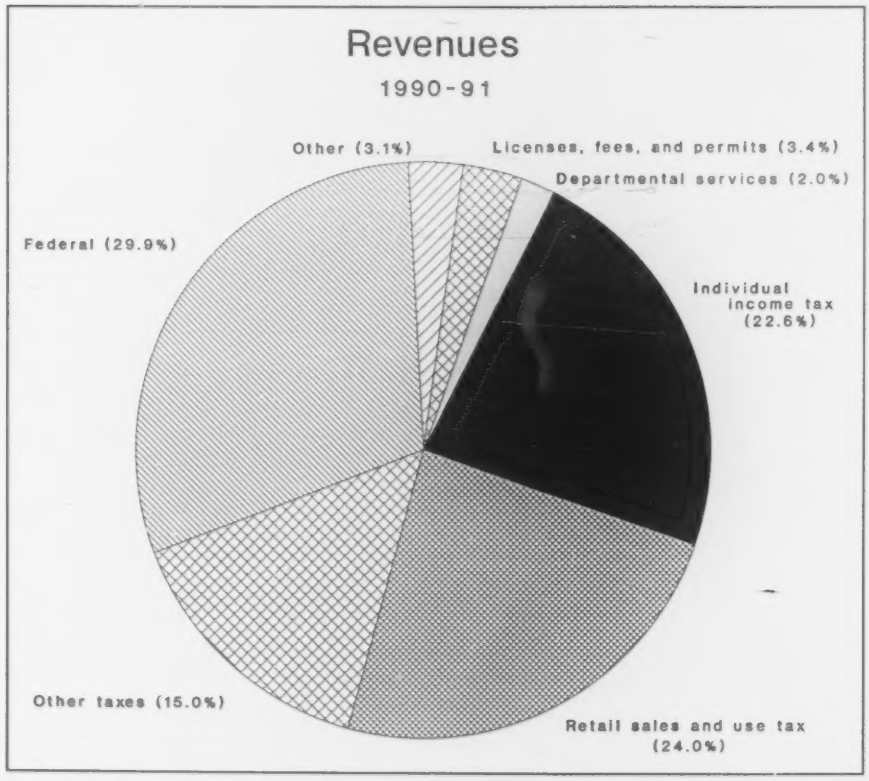
GENERAL GOVERNMENTAL FUNCTIONS

Revenues

The State's most significant sources of revenue are its 5% retail sales tax, its individual income tax (2.75% to 7% tax rates) and Federal grants. The following schedule presents a summary of General Fund and Special

Revenue Funds revenues for the fiscal year ended June 30, 1991 (expressed in thousands) and the amounts (expressed in thousands) and percentages of increases (decreases) in relation to prior year revenues:

Revenues	1990-91 Amount	Percent of Total	Increase (Decrease) from 1989-90	Percentage Increase (Decrease)
Individual income tax	$1,377,825	22.62%	$ 15,986	1.17%
Retail sales and use tax	1,463,941	24.04%	(1,048)	(0.07%)
Other taxes	914,729	15.02%	(3,541)	(0.39%)
Licenses, fees, and permits	203,760	3.35%	34,340	20.27%
Interest and other investment income	77,602	1.27%	(5,352)	(6.45%)
Federal	1,821,552	29.91%	170,635	10.34%
Departmental services	123,139	2.02%	7,008	6.03%
Contributions	25,263	0.42%	(569)	(2.20%)
Fines and penalties	26,118	0.43%	1,302	5.25%
Other	56,189	0.92%	16,580	41.86%
Totals	$6,090,118	100.00%	$235,341	4.02%



The increase in Licenses, Fees, and Permits can be explained as follows: (a) a new administrative fee was imposed on nursing homes during the year; (b) a fee assessed on underground petroleum storage tanks was discontin-

ued during the preceding year in compliance with a legally-mandated cap, but was reinstated for the fiscal year ended June 30, 1991; (c) revenues from low-level radioactive waste increased because the volume of waste increased and the State increased the fees imposed on such waste; and (d) due to a change in State law, all retaliatory insurance taxes and fees are recorded as fees revenue for the fiscal year ended June 30, 1991, but were allocated between taxes and fees in earlier years.

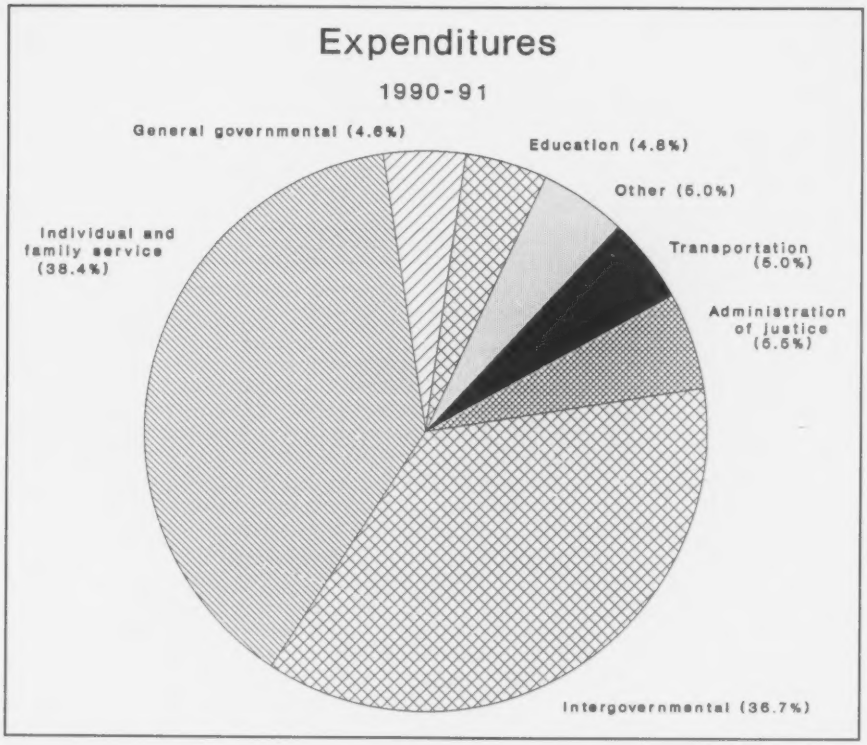
The increase in Federal revenue resulted from a significant increase in Medicaid assistance payments.

The increase in Other Revenue was primarily due to increases in the receipt of Medicaid disproportionate share and other matching funds from hospitals and other State agencies.

Expenditures

The following schedule presents a summary of General Fund and Special Revenue Funds expenditures for the fiscal year ended June 30, 1991, (expressed in thousands) and the amounts (expressed in thousands) and percentages of increases (decreases) in relation to prior year expenditures:

Expenditures	1990-91 Amount	Percent of Total	Increase (Decrease) from 1989-90	Percentage Increase (Decrease)
Current:				
General governmental	$ 251,692	4.60%	$ (63,072)	(20.04%)
Education	262,697	4.80%	(7,540)	(2.79%)
Individual and family services	2,097,614	38.34%	286,197	15.80%
Administration of justice	300,250	5.49%	17,670	6.25%
Resources and economic development	132,970	2.43%	4,869	3.80%
Transportation	274,895	5.03%	9,452	3.56%
Miscellaneous	–	0.00%	(30)	(100.00%)
Capital outlay	25,166	0.46%	(688)	(2.66%)
Debt service:				
Principal retirement	66,715	1.22%	4,233	6.77%
Interest and fiscal charges	50,825	0.93%	2,923	6.10%
Intergovernmental	2,007,557	36.70%	38,132	1.94%
Totals	$5,470,381	100.00%	$292,146	5.64%



In past years, a General Governmental agency paid all premiums for retiree health and dental insurance. During the fiscal year ended June 30, 1991, the responsibility for paying these premiums was allocated among all functional areas which resulted in a decrease in General Governmental expenditures.

The increase in Individual and Family Services expenditures resulted from an increase in Medicaid assistance payments.

The Miscellaneous functional category consisted of discretionary expenditures for "dues and contributions." Because of the economic recession, the State General Assembly eliminated appropriations for dues and contributions during the fiscal year ended June 30, 1991.

Status of Fund Balances

GAAP-basis fund balances for the General Fund and Special Revenue Funds at June 30 (expressed in thousands) for the last four years were:

	1991	1990	1989	1988
General Fund				
Reserved	$ 98,988	$160,278	$193,089	$180,694
Unreserved	(252,482)	(140,568)	(90,296)	(62,238)
Total General Fund	**$(153,494)**	**$ 19,710**	**$102,793**	**$118,456**
Special Revenue Funds				
Reserved	$ 82,260	$ 51,128	$ 36,242	$ 32,499
Unreserved, designated	243,989	194,251	126,469	93,010
Unreserved, undesignated	253,317	265,422	279,192	278,955
Total Special Revenue Funds	**$579,566**	**$510,801**	**$441,903**	**$404,464**

The reserved component of fund balance represents amounts legally required to be segregated and amounts that cannot be appropriated for future expenditure. The unreserved component of fund balance is computed as total fund balance less reserved amounts. Even for years in which the total fund balance in the General Fund was positive, the unreserved component of fund balance was negative because the reserve requirements exceeded total fund balance.

The designated portion of unreserved fund balance reflects tentative plans for future use of available financial resources.

Total fund balance in the General Fund has steadily declined over the past several years. State officials have noted this trend with concern and are carefully monitoring tax revenue collections for the 1991-92 fiscal year. Whenever revenue collections are determined to be below estimates, estimated revenues and appropriations will be revised downward before year-end. Other measures will be taken as deemed necessary.

PROPRIETARY OPERATIONS

The Public Service Authority (Santee-Cooper) is South Carolina's State-owned public power resource. The Public Service Authority (Santee-Cooper) produces and sells electric power to individuals, businesses, electric cooperatives and municipal power departments. The Public Service Authority (Santee-Cooper) made payments to the State's General Fund of $5.6 million during its fiscal year ended December 31, 1990. The distribution to the General Fund is based primarily on operating cash flows and mandatory reserve requirements.

There are several other significant proprietary segments of South Carolina's State government. The Ports Authority develops and maintains State harbors and seaports and handles the commerce through these ports. The State Housing Finance and Development Authority provides low-cost housing to the State's citizens by issuing bonds/notes and by administering

Federal contracts and grants. The Education Assistance Authority makes loans to eligible students. The Research Authority develops/markets a system of research parks and develops/manages several research and development contracts.

The Public Service Authority (Santee-Cooper) and other major Proprietary Funds of South Carolina are presented below with highlights of segment financial information (expressed in thousands) for the fiscal year ended June 30, 1991.

	Public Service Authority (Santee-Cooper)	Housing Authority	Ports Authority	Second Injury	Education Assistance Authority	Research Authority
Operating revenues	$ 553,980	$ 73,984	$ 46,554	$ 60,819	$ 14,116	$25,482
Net income	34,372	9,317	8,129	–	7,337	869
Net working capital	(53,564)	(38,838)	11,384	20,334	15,103	4,695
Total assets	2,804,597	823,754	261,002	177,822	256,884	27,715
Total fund equity	565,307	94,577	220,427	–	49,025	14,736

FIDUCIARY OPERATIONS

The most significant of the State's Fiduciary Funds are the five retirement systems: The South Carolina Retirement System, the Police Officers' Retirement System, the Retirement System for Members of the General Assembly, the Retirement System for Judges and Solicitors, and the National Guard Pension System. The first four of these systems are funded in accordance with actuarially established contribution rates. The National Guard Pension System is funded on a pay-as-you-go basis. Some key actuarial amounts for the systems (expressed in thousands) at July 1, 1990 (latest available data), were:

	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Pension System
Pension benefit obligation	$9,496,700	$808,900	$26,200	$54,300	$18,778
Net assets available for benefits, at cost	6,813,700	666,700	21,200	31,900	–
Unfunded pension benefit obligation	$2,683,000	$142,200	$ 5,000	$22,400	$18,778

DEBT ADMINISTRATION

The State finances many of its major capital needs by issuing bonds. Some of this debt is general obligation debt backed by the full faith, credit and taxing power of the State. Much of the debt, however, is revenue bonds and notes associated with specific State component units. Specific revenue flows of particular component units service revenue debt.

Moody's Investors Service has rated South Carolina's general obligation bonds as "Aaa," and Standard & Poor's rates this debt as "AAA," both representing the highest ratings awarded. South Carolina is one of only a few states holding these highest ratings. During the fiscal year ended June 30, 1991, South Carolina issued $85.0 million in general obligation

bonds and notes payable by governmental funds and retired $64.8 million. The State budgets and pays principal and interest on general obligation bonds from current resources of the Budgetary General Fund.

The State's available legal debt margin at June 30, 1991, was $150.0 million for highway bonds and $31.4 million for institution bonds. State law limits annual debt service expenditures rather than directly limiting the amount of outstanding debt for general obligation bonds/notes other than highway bonds, institution bonds, tax anticipation notes, and bond anticipation notes. The annual debt service margin at June 30, 1991, for these bonds/notes was $50.1 million.

Net general obligation bonds/notes outstanding per capita is a useful indicator to citizens, investors and management of the State's debt position. The following table shows these amounts at June 30 for the last three years:

	1991	1990	1989
Net general obligation bonds/notes outstanding	$800 million	$780 million	$683 million
Net general obligation bonds/notes outstanding per capita	$226	$224	$194

The State's higher education institutions and enterprise entities had revenue bonds and notes of approximately $3.1 billion outstanding on June 30, 1991. Bonds and notes outstanding (expressed in millions) by component unit were:

South Carolina Public Service Authority (Santee-Cooper)	$1,916
South Carolina Housing Authority	696
Various higher education institutions	209
Other State component units	256
Total	$3,077

During the fiscal year ended June 30, 1991, the Medical University of South Carolina advance refunded $35.69 million of its Hospital Facilities Revenue Bonds to reduce its total debt service payments over the next fourteen years by approximately $2.10 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately $1.46 million. In addition, Clemson University advance refunded $3.00 million of its Plant Improvement Revenue Bonds to remove itself from certain restrictive covenants associated with those bonds. As a result of the refunding, the University's total debt service payments over the next twenty years will increase by approximately $1.38 million, and the University will obtain an economic gain of $0.35 million. Both the Medical University of South Carolina and Clemson University are reported within the State's Higher Education Funds. For additional details, see Note 12 in the Notes to the Financial Statements.

CASH MANAGEMENT

State law requires full collateralization of all State Treasurer bank balances. Component units may have collateralization policies that differ from those of the State Treasurer.

Legally authorized investments vary by fund, but generally include obligations of the United States and certain agencies of the United States, obligations of the State of South Carolina and certain of its political subdivisions, certificates of deposit, collateralized repurchase agreements and certain obligations of United States corporations.

As provided by law, the State Treasurer deposits money in a general deposit account. The State records earnings of the general deposit account as revenue of the General Fund. The Treasurer deposits other monies into various special deposit accounts, each of which retains its own earnings.

State agencies which issue their own checks participate in pooled bank accounts. These agencies issue checks against the pooled bank accounts. Meanwhile, the State Treasurer invests account balances until the checks clear.

Investment earnings for the General Fund totaled $56.8 million for the fiscal year ended June 30, 1991.

RISK MANAGEMENT

The State itself (rather than an insurance carrier) assumes substantially all risks associated with:

- Claims of State employees for unemployment compensation benefits
- Claims of covered employees for workers' compensation benefits
- Claims of covered public employees for health insurance, dental insurance and group life insurance benefits (insurance carriers, however, provide claims administration services)

In addition, the State maintains an Insurance Reserve Fund to cover risks associated with:

- Real property including public buildings, local public schools and their contents
- Motor vehicles, school buses and aircraft
- General tort claims that parties may file against the State or its political subdivisions
- Medical malpractice claims that parties may file against covered hospitals

The Insurance Reserve Fund purchases insurance coverage for a portion of these risks.

The State conducts various risk control programs to help minimize losses. For example, the health insurance program conducts extensive wellness education programs for covered employees that promote development and maintenance of healthful lifestyles.

The State also administers the following public entity risk pools reported within the State's Enterprise Funds:

- Workers' Compensation Second Injury Fund
- Patients' Compensation Fund (medical malpractice insurance)

AUDIT

An independent audit was performed jointly by the State Auditor and the independent certified public accounting firm of KPMG Peat Marwick. Again this year, this report includes an unqualified report of the independent certified public accountants, the best possible result of the audit process.

The audit described above is not intended to meet the requirements of the Federal Single Audit Act of 1984. The Single Audit reports for the State are issued separately.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of South Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 1990. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR whose contents conform to rigorous program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

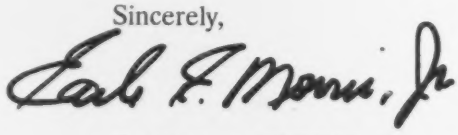
Again this year, the State will submit its CAFR to the Certificate of Achievement for Excellence in Financial Reporting program of the GFOA. I firmly believe that South Carolina's report for the fiscal year ended June 30, 1991, meets the requirements to receive the Certificate of Achievement.

ACKNOWLEDGMENTS

Production of this report would not have been possible without the support of all State agencies and component units which supplied GAAP closing data on a timely basis. As we strive to produce this report in future years and to improve its quality and content, continued support of these parties is essential.

Special thanks are due to all branches of the armed forces stationed in South Carolina for their cooperation in providing the photographs in this report. In addition, thanks are due to Barbara A. Weinn, Ph.D., Chief Economist of the State of South Carolina, and to Philip G. Grose, Jr., who provided invaluable writing assistance in producing the report.

Sincerely,



EARLE E. MORRIS, JR.
Comptroller General

President Bush celebrates military successes of Operation Desert Storm with two South Carolina Shaw Field-based fliers, Lieutenant Eric Dodson (left), now a captain, and Captain Scott Thomas. During a combat mission in the Gulf War, Captain Thomas was forced to ditch his plane behind enemy lines due to engine failure. At the risk of his own safety, Captain Dodson stayed on the scene to coordinate rescue operations.

CERTIFICATE
OF ACHIEVEMENT

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1990

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards in government accounting and financial reporting.

Gary R. Hoistrem
President

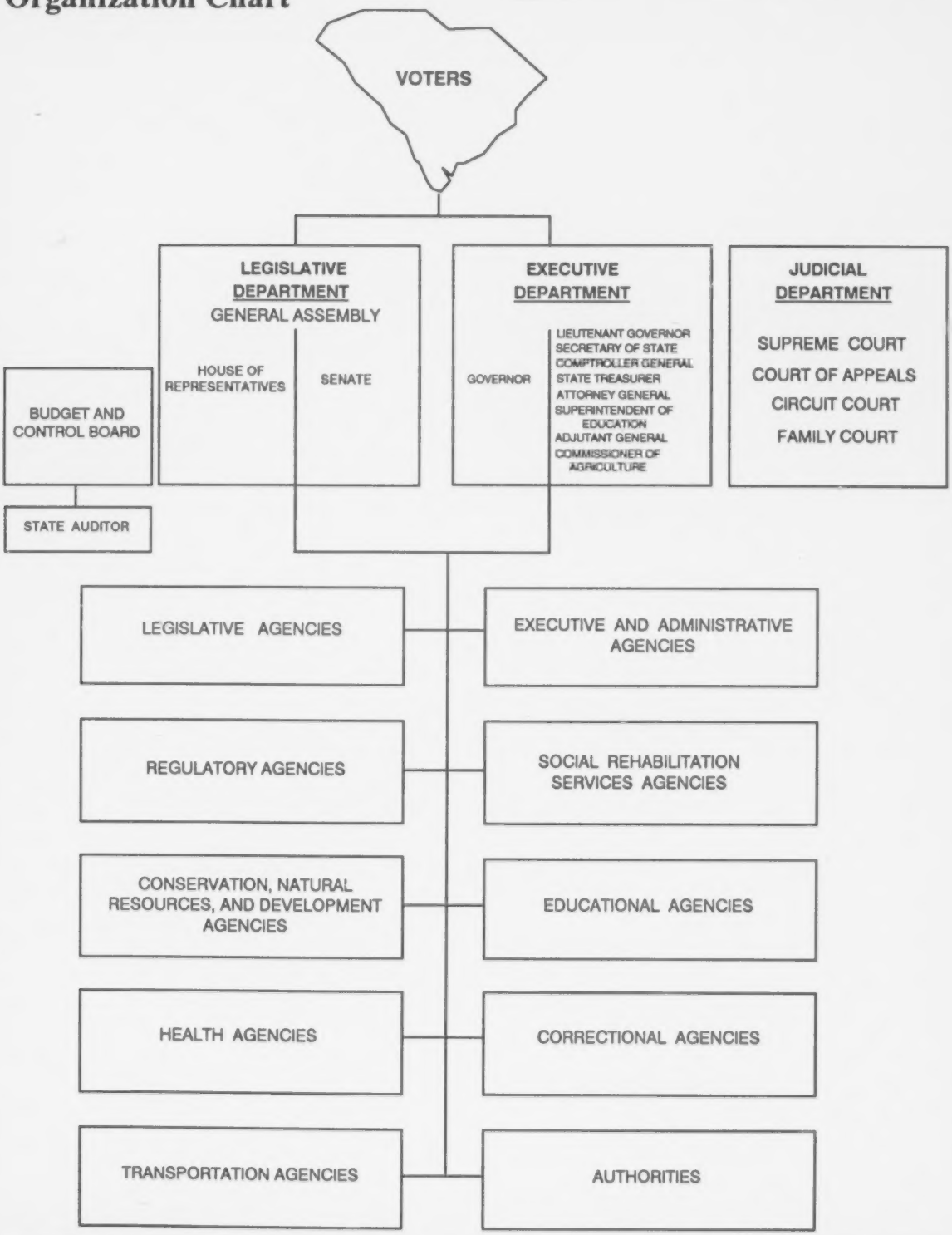
Jeffrey L. Esser
Executive Director

Principal State Officials

	Current Term of Office
LEGISLATIVE — THE GENERAL ASSEMBLY	
Nick A. Theodore, President of the Senate and Lieutenant Governor	1991-1995
Robert J. Sheheen, Speaker, House of Representatives	1990-1992
EXECUTIVE	
STATE BUDGET AND CONTROL BOARD	
Carroll A. Campbell, Jr., Chairman, Governor	1991-1995
Earle E. Morris, Jr., Comptroller General	1991-1995
Grady L. Patterson, Jr., State Treasurer	1991-1995
James M. Waddell, Jr., Chairman, Senate Finance Committee	1989-1992
William D. Boan, Chairman, House Ways and Means Committee	1990-1992
James M. Miles, Secretary of State	1991-1995
T. Travis Medlock, Attorney General	1991-1995
Dr. Barbara S. Nielsen, State Superintendent of Education	1991-1995
Major General T. Eston Marchant, Adjutant General	1991-1995
D. Leslie Tindal, Commissioner of Agriculture	1991-1995
JUDICIAL	
George T. Gregory, Jr., Chief Justice, South Carolina Supreme Court	1988-1994

All of the legislative and executive officials are elected by the State's citizens in general elections. Members of the Supreme Court are elected by the General Assembly.

Organization Chart



Financial Section

The USS Narwhal, a fleet ballistic missile submarine, operates out of South Carolina's Charleston Naval Facility, the only Navy Command at which all five generations of fleet ballistic submarines have been processed. Submarine-operated activities in Charleston represent over 1,700 jobs and some $60 million in annual payrolls.

INDEPENDENT AUDITORS' REPORT

KPMG Peat Marwick
Certified Public Accountants

State of South Carolina

Office of the State Auditor

The Honorable Carroll A. Campbell, Jr., Governor
and Members of the General Assembly
State of South Carolina
Columbia, South Carolina

We have jointly audited the general purpose financial statements of the State of South Carolina as of and for the year ended June 30, 1991, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the management of the State. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not jointly audit the financial statements of certain component units and agencies, which statements reflect the indicated percent of total assets and other debits and total revenues, respectively, of the Special Revenue (41% and 17%), Capital Projects (26% and 98%), Enterprise (99% and 99%), Internal Service (64% and 79%), Pension Trust (100% and 100%), Higher Education (100% and 100%), and Agency (43% of assets and other debits) Funds, General Fixed Assets Account Group (16% of assets and other debits), and General Long-Term Obligations Account Group (3% of assets and other debits). Those financial statements were audited by other auditors, including the Office of the State Auditor acting separately, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units and agencies, is based solely upon the reports of other auditors. The Office of the State Auditor acting separately has audited 38% and 29% of the total assets and other debits and total revenues, respectively, of the Higher Education Funds.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of South Carolina at June 30, 1991, and the results of its operations and cash flows of its proprietary and similar trust funds for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 3 to the general purpose financial statements, the State of South Carolina adopted Statement No. 9 of the Governmental Accounting Standards Board which requires the presentation of a statement of cash flows and certain other disclosures.

Our joint audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of South Carolina. Such information has been subjected to the auditing procedures applied in the joint audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

KPMG Peat Marwick

Greenville, South Carolina
November 27, 1991

Columbia, South Carolina
November 27, 1991

The USS South Carolina, a nuclear-powered guided missile frigate, is the fifth commissioned Navy ship to carry the state's name. The others were (1) a schooner which saw service in the Revenue Cutter Service (1797-1802) and under Naval jurisdiction during the Quasi War with France (1798-1799), (2) a coastal patrol vessel (1799-1802), (3) a United States Navy steamer which saw service in the blockade of Confederate ports (1861-65), sinking and capturing numerous blockade-running schooners and steamers and (4) a battleship which saw service between 1910 and 1924 escorting Atlantic convoys during World War I. The most recent USS South Carolina was commissioned in 1975 and is part of the Atlantic Fleet nuclear task force based in Norfolk, Virginia.

GENERAL PURPOSE FINANCIAL STATEMENTS

(Combined Statements—Overview)

Combined Balance Sheet

ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1991
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service
ASSETS AND OTHER DEBITS					
Cash and cash equivalents	$ 92,154	$ 543,716	$ 108,418	$ 155,909	$ 391,530
Cash on deposit with fiscal agents	–	–	–	–	–
Investments	–	67	–	30,623	10,490
Deferred yield adjustment for security exchanges	–	–	–	–	–
Receivables, net:					
Accounts	11,554	38,207	3,562	70,413	31,038
Taxes	153,952	53,716	–	–	–
Patient and student	–	–	–	–	–
Student loans	–	–	–	180,513	–
Loans and notes	1,878	51,668	–	445	341
Assessments	–	–	–	151,026	–
Due from Federal government and other grantors	25,847	175,156	21,435	7,765	105
Due from other funds	105	30,322	14,987	407	17,586
Interfund receivables	9,542	1,626	–	–	2,197
Advances to other funds	16,613	1,661	–	–	14,538
Inventories	8,196	23,102	–	67,345	5,523
Property, plant, and equipment, net	–	–	–	2,040,260	134,815
Restricted assets:					
Cash and cash equivalents	–	–	–	292,131	–
Investments	–	–	–	256,027	–
Loans receivable	–	–	–	628,122	–
Other	–	–	–	10,246	–
Other assets	–	279	–	2,784	429
Deferred charges	–	–	–	561,820	–
Amount to be provided for retirement of long-term obligations	–	–	–	–	–
Total assets and other debits	**$319,841**	**$919,520**	**$148,402**	**$4,455,836**	**$608,592**

The Notes to the Financial Statements are an integral part of this statement.

FIDUCIARY FUND TYPES	ACCOUNT GROUPS			Totals (Memorandum Only) June 30	
Trust and Agency	General Fixed Assets	General Long-Term Obligations	HIGHER EDUCATION FUNDS	1991	1990
$ 333,215	$ –	$ –	$ 292,252	$ 1,917,194	$ 1,913,076
482,719	–	–	–	482,719	471,364
9,022,142	–	–	34,188	9,097,510	8,009,001
87,061	–	–	–	87,061	118,862
228,757	–	–	6,306	389,837	413,711
41,609	–	–	–	249,277	266,836
–	–	–	58,515	58,515	50,127
–	–	–	36,187	216,700	182,146
4,488	–	–	1,368	60,188	28,618
–	–	–	–	151,026	128,954
425	–	–	33,008	263,741	240,841
17,884	–	–	12,305	93,596	66,122
225	–	–	–	13,590	12,888
–	–	–	–	32,812	28,289
–	–	–	18,300	122,466	119,726
–	1,537,022	–	2,011,218	5,723,315	5,463,662
–	–	–	–	292,131	290,251
–	–	–	–	256,027	223,639
–	–	–	–	628,122	574,630
–	–	–	–	10,246	10,827
3,088	–	–	12,156	18,736	25,598
–	–	–	–	561,820	535,561
–	–	948,494	–	948,494	921,760
$10,221,613	$1,537,022	$948,494	$2,515,803	$21,675,123	$20,096,509

Continued on Next Page

Combined Balance Sheet

ALL FUND TYPES AND ACCOUNT GROUPS (Continued)

June 30, 1991
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service
LIABILITIES, FUND EQUITY, AND OTHER CREDITS					
Liabilities:					
Accounts payable and accrued liabilities	$101,127	$200,797	$ 24,961	$ 247,647	$ 134,213
Tax refunds payable	254,992	1,080	–	–	–
Intergovernmental payables	52,510	59,570	–	–	–
Insurance claims incurred but not reported	–	–	–	119,450	130,862
Due to other funds	30,902	19,011	984	384	–
Interfund payables	1,606	7,840	9	210	1,952
Advances from other funds	7,945	4,948	1,088	–	13,903
Deferred revenues and deferred credits	23,987	38,139	–	6,906	13,079
Deposits	–	–	1,131	7,981	–
Amounts held in custody for others	–	–	–	–	–
Deferred compensation	–	–	–	156	–
Notes payable	–	–	–	7,145	–
General obligation bond anticipation notes payable	–	–	–	–	–
General obligation bonds payable	–	–	–	–	–
Revenue bonds payable	–	–	–	2,861,142	–
Capital lease and installment debt obligations payable	–	–	–	63,350	54,038
Commercial paper notes	–	–	–	120,000	–
Compensated absences payable	–	–	–	492	2,489
Other liabilities, including retainages payable	266	8,569	17,124	33,638	410
Total liabilities	**473,335**	**339,954**	**45,297**	**3,468,501**	**350,946**
Fund equity and other credits:					
Contributed capital	–	–	–	196,121	75,293
Investment in fixed assets	–	–	–	–	–
Retained earnings:					
Reserved for special purposes	–	–	–	139,130	–
Unreserved	–	–	–	652,084	182,353
Fund balances:					
Reserved for:					
Pension and other benefits	–	–	–	–	–
Restricted fund balance	–	–	–	–	–
General fund reserve	33,427	–	–	–	–
U. S. government grants refundable	–	–	–	–	–
Inventories	8,196	23,102	–	–	–
Advances to other funds	16,613	1,661	–	–	–
Appropriations to be carried forward	27,678	–	–	–	–
Endowment and similar funds	–	–	–	–	–
Long-term loans and notes receivable	1,821	48,567	–	–	–
School building aid	11,253	8,651	–	–	–
Encumbrances	–	–	–	–	–
Other special purposes	–	279	–	–	–
Unreserved:					
Designated for special purposes	–	243,989	–	–	–
Designated for capital expenditures	–	–	103,105	–	–
Designated for quasi-endowments	–	–	–	–	–
Undesignated	(252,482)	253,317	–	–	–
Total fund equity (deficit) and other credits	**(153,494)**	**579,566**	**103,105**	**987,335**	**257,646**
Total liabilities, fund equity, and other credits	**$319,841**	**$919,520**	**$148,402**	**$4,455,836**	**$608,592**

The Notes to the Financial Statements are an integral part of this statement.

FIDUCIARY FUND TYPES	ACCOUNT GROUPS			Totals (Memorandum Only) June 30	
Trust and Agency	General Fixed Assets	General Long-Term Obligations	HIGHER EDUCATION FUNDS	1991	1990
$ 122,712	$ –	$ 5,032	$ 92,456	$ 928,945	$ 778,759
1,083	–	–	–	257,155	258,590
1	–	–	–	112,081	127,248
–	–	3,962	–	254,274	188,963
35,223	–	–	7,092	93,596	66,122
1,106	–	–	867	13,590	12,888
–	–	–	4,928	32,812	28,289
3,290	–	–	22,519	107,920	104,770
3,690	–	–	5,216	18,018	14,954
528,098	–	–	1,925	530,023	542,784
443,886	–	–	–	444,042	373,974
–	–	31,350	20,558	59,053	56,195
–	–	–	1,200	1,200	16,871
–	–	768,740	27,360	796,100	759,690
–	–	–	188,534	3,049,676	2,972,624
–	–	3,950	16,882	138,220	145,743
–	–	–	–	120,000	50,000
–	–	113,663	47,616	164,260	151,077
–	–	21,797	6,148	87,952	102,214
1,139,089	**–**	**948,494**	**443,301**	**7,208,917**	**6,751,755**
–	–	–	–	271,414	269,720
–	1,537,022	–	1,740,727	3,277,749	3,077,304
–	–	–	–	139,130	118,731
–	–	–	–	834,437	774,481
9,021,282	–	–	–	9,021,282	8,106,246
–	–	–	156,265	156,265	148,189
–	–	–	–	33,427	67,999
–	–	–	35,195	35,195	33,957
–	–	–	–	31,298	29,696
–	–	–	–	18,274	16,485
–	–	–	–	27,678	37,418
755	–	–	16,380	17,135	15,676
–	–	–	–	50,388	23,297
–	–	–	–	19,904	14,714
–	–	–	1,281	1,281	997
–	–	–	9,912	10,191	11,168
–	–	–	31,978	275,967	213,676
–	–	–	–	103,105	114,716
–	–	–	18,967	18,967	16,104
60,487	–	–	61,797	123,119	234,180
9,082,524	**1,537,022**	**–**	**2,072,502**	**14,466,206**	**13,344,754**
$10,221,613	**$1,537,022**	**$948,494**	**$2,515,803**	**$21,675,123**	**$20,096,509**

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Capital Projects
Revenues:			
Taxes:			
Individual income	$ 1,377,825	$ –	$ –
Retail sales and use	1,157,075	306,866	–
Other	569,849	344,880	7
Licenses, fees, and permits	78,999	124,761	18
Interest and other investment income	56,830	20,772	490
Federal	230,164	1,591,388	179,938
Departmental services	19,512	103,627	1,858
Contributions	11	25,252	118
Fines and penalties	6,310	19,808	–
Other	10,224	45,965	1,811
Total revenues	**3,506,799**	**2,583,319**	**184,240**
Expenditures:			
Current:			
General governmental	216,116	35,576	–
Education	173,754	88,943	–
Individual and family services	801,083	1,296,531	–
Administration of justice	268,975	31,275	–
Resources and economic development	77,322	55,648	–
Transportation	2,634	272,261	–
Miscellaneous	–	–	–
Capital outlay	–	25,166	377,092
Debt service:			
Principal retirement	66,228	487	–
Interest and fiscal charges	50,748	77	53
Intergovernmental	1,366,194	641,363	–
Total expenditures	**3,023,054**	**2,447,327**	**377,145**
Revenues over (under) expenditures	**483,745**	**135,992**	**(192,905)**
Other financing sources (uses):			
Proceeds from bonds and notes	–	–	85,000
Proceeds from advances from others	–	–	–
Lease and installment debt proceeds	589	374	–
Operating transfers in	5,778	55,675	127,862
Operating transfers out	(663,212)	(124,985)	(31,162)
Total other financing sources (uses)	**(656,845)**	**(68,936)**	**181,700**
Revenues and other sources over (under) expenditures and other uses	**(173,100)**	**67,056**	**(11,205)**
Fund balances, July 1, 1990 (restated)	**19,710**	**510,801**	**114,716**
Increases (decreases) in reserve for inventories	**(104)**	**1,709**	**–**
Residual equity transfers out	**–**	**–**	**(406)**
Fund balances (deficit), June 30, 1991	**$ (153,494)**	**$ 579,566**	**$103,105**

The Notes to the Financial Statements are an integral part of this statement.

FIDUCIARY FUND TYPE	Totals (Memorandum Only) For the Fiscal Year Ended June 30	
Expendable Trust	1991	1990
$ –	$1,377,825	$1,361,839
–	1,463,941	1,464,989
164,615	1,079,351	1,089,126
2,256	206,034	172,277
51,754	129,846	130,672
29	2,001,519	1,821,094
501	125,498	118,284
180	25,561	26,177
–	26,118	24,816
146	58,146	57,387
219,481	**6,493,839**	**6,266,661**
208,403	460,095	458,894
–	262,697	270,237
222	2,097,836	1,811,730
7	300,257	282,580
389	133,359	128,561
–	274,895	265,443
–	–	30
–	402,258	369,219
–	66,715	62,482
–	50,878	47,902
105	2,007,662	1,969,595
209,126	**5,056,652**	**5,666,673**
10,355	**437,187**	**599,988**
–	85,000	156,350
–	–	1,650
–	963	4,088
1,206	190,521	156,516
(90)	(819,449)	(799,206)
1,116	**(542,965)**	**(480,602)**
11,471	**(105,778)**	**119,386**
566,659	**1,211,886**	**1,091,538**
(3)	1,602	2,584
–	(406)	(1,622)
$578,127	**$1,107,304**	**$1,211,886**

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual (Budgetary Basis)

ALL BUDGETED FUNDS

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	BUDGETARY GENERAL FUND		
	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Admissions tax	$ 6,300	$ 6,449	$ 149
Aircraft tax	2,300	2,675	375
Alcoholic liquors tax	50,680	49,412	(1,268)
Bank tax	11,200	7,444	(3,756)
Beer and wine tax	76,540	73,253	(3,287)
Business license tax	29,700	30,335	635
Coin-operated device tax	28,000	20,467	(7,533)
Commercial nuclear waste tax	6,400	5,921	(479)
Contractors' license tax	1,575	1,448	(127)
Corporation income tax	152,000	142,680	(9,320)
Corporation license tax	38,000	40,293	2,293
Department of Agriculture	6,441	6,204	(237)
Departmental revenue (primarily grant revenues and fees for services)	42,780	46,849	4,069
Documentary tax	11,250	10,370	(880)
Earned on investments	64,828	59,511	(5,317)
Education Improvement Act--1% sales tax	–	–	–
Education Improvement Act--investment earnings	–	–	–
Education Improvement Act--other	–	–	–
Electric power tax	17,000	16,760	(240)
Estate tax	30,700	32,318	1,618
Excise tax--casual sales	9,800	8,479	(1,321)
Fertilizer inspection tax	195	171	(24)
Gasoline tax--counties	18,300	18,033	(267)
Gift tax	5,000	3,741	(1,259)
Individual income tax	1,477,000	1,386,648	(90,352)
Insurance tax	76,463	75,474	(989)
Miscellaneous sources	43,006	47,282	4,276
Motor transport fees	4,668	3,852	(816)
Private car lines tax	1,310	1,236	(74)
Public service assessment	4,200	4,236	36
Public Service Authority	5,700	5,637	(63)
Radioactive waste surcharge	12,400	12,344	(56)
Retail sales tax (4%)	1,188,200	1,146,936	(41,264)
Retailers' license tax	1,065	960	(105)
Savings and loan association tax	750	1,309	559
Soft drinks tax	21,600	21,624	24
Workers' compensation insurance tax	14,660	15,077	417
Total revenues	**3,460,011**	**3,305,428**	**(154,583)**

The Notes to the Financial Statements are an integral part of this statement.

OTHER BUDGETED FUNDS			TOTAL BUDGETED FUNDS		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
$ 11,145	$ 10,216	$ (929)	$ 17,445	$ 16,665	$ (780)
–	–	–	2,300	2,675	375
–	–	–	50,680	49,412	(1,268)
–	–	–	11,200	7,444	(3,756)
–	–	–	76,540	73,253	(3,287)
–	–	–	29,700	30,335	635
–	–	–	28,000	20,467	(7,533)
–	–	–	6,400	5,921	(479)
–	–	–	1,575	1,448	(127)
–	–	–	152,000	142,680	(9,320)
–	–	–	38,000	40,293	2,293
2,876	2,222	(654)	9,317	8,426	(891)
4,859,283	4,156,724	(702,559)	4,902,063	4,203,573	(698,490)
1,553	1,221	(332)	12,803	11,591	(1,212)
41,282	21,168	(20,114)	106,110	80,679	(25,431)
299,500	289,258	(10,242)	299,500	289,258	(10,242)
1,900	1,988	88	1,900	1,988	88
888	1,266	378	888	1,266	378
–	–	–	17,000	16,760	(240)
–	–	–	30,700	32,318	1,618
–	–	–	9,800	8,479	(1,321)
–	–	–	195	171	(24)
–	–	–	18,300	18,033	(267)
–	–	–	5,000	3,741	(1,259)
–	–	–	1,477,000	1,386,648	(90,352)
15	15	–	76,478	75,489	(989)
80,040	46,782	(33,258)	123,046	94,064	(28,982)
–	–	–	4,668	3,852	(816)
–	–	–	1,310	1,236	(74)
–	–	–	4,200	4,236	36
–	–	–	5,700	5,637	(63)
–	–	–	12,400	12,344	(56)
–	–	–	1,188,200	1,146,936	(41,264)
–	–	–	1,065	960	(105)
–	–	–	750	1,309	559
–	–	–	21,600	21,624	24
–	–	–	14,660	15,077	417
5,298,482	4,530,860	(767,622)	8,758,493	7,836,288	(922,205)

Continued on Next Page

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual (Budgetary Basis)

ALL BUDGETED FUNDS (Continued)

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	BUDGETARY GENERAL FUND		
	Final Budget	Actual	Variance Favorable (Unfavorable)
Other resources:			
Change in budgetary basis of accounting--retail sales tax (4%)	$ –	$ 83,161	$ 83,161
Change in budgetary basis of accounting--Education Improvement Act--1% sales tax	–	–	–
Total other resources	–	83,161	83,161
Expenditures:			
Legislative	31,595	26,762	4,833
Judicial	24,671	24,421	250
Executive and administrative	140,406	113,093	27,313
Educational	1,837,138	1,832,059	5,079
Health	542,307	540,044	2,263
Social rehabilitation services	129,611	129,403	208
Correctional	243,079	242,891	188
Conservation, natural resources, and development	123,746	122,999	747
Regulatory	74,270	73,330	940
Transportation	2,981	2,611	370
Debt service	118,167	118,037	130
Miscellaneous	232,031	224,210	7,821
Highway Department	1,241	1,241	–
Enterprise agencies	–	–	–
Total expenditures	3,501,243	3,451,101	50,142
Excess of revenues and other resources over (under) expenditures	(41,232)	(62,512)	(21,280)
Other financing sources (uses):			
Transfers in	–	–	–
Transfers out	(11,056)	(11,056)	–
Total financing sources (uses)	(11,056)	(11,056)	–
Excess of revenues, other resources, and other sources over (under) expenditures and other uses	(52,288)	(73,568)	(21,280)
Budgetary fund balance, July 1, 1990	135,452	135,452	–
Budgetary fund balance, June 30, 1991	$ 83,164	$ 61,884	$(21,280)

The Notes to the Financial Statements are an integral part of this statement.

OTHER BUDGETED FUNDS			TOTAL BUDGETED FUNDS		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
$ –	$ –	$ –	$ –	$ 83,161	$ 83,161
–	20,874	20,874	–	20,874	20,874
–	20,874	20,874	–	104,035	104,035
1,180	654	526	32,775	27,416	5,359
700	44	656	25,371	24,465	906
501,250	233,952	267,298	641,656	347,045	294,611
1,765,677	1,411,171	354,506	3,602,815	3,243,230	359,585
1,585,224	1,475,910	109,314	2,127,531	2,015,954	111,577
486,481	464,572	21,909	616,092	593,975	22,117
109,854	83,445	26,409	352,933	326,336	26,597
162,645	108,191	54,454	286,391	231,190	55,201
103,641	76,358	27,283	177,911	149,688	28,223
2,478	2,070	408	5,459	4,681	778
–	–	–	118,167	118,037	130
–	–	–	232,031	224,210	7,821
668,709	664,164	4,545	669,950	665,405	4,545
4,579	4,579	–	4,579	4,579	–
5,392,418	4,525,110	867,308	8,893,661	7,976,211	917,450
(93,936)	26,624	120,560	(135,168)	(35,888)	99,280
11,056	11,056	–	11,056	11,056	–
–	–	–	(11,056)	(11,056)	–
11,056	11,056	–	–	–	–
(82,880)	37,680	120,560	(135,168)	(35,888)	99,280
517,631	517,631	–	653,083	653,083	–
$ 434,751	$ 555,311	$ 120,560	$ 517,915	$ 617,195	$ 99,280

Combined Statement of Revenues, Expenses, and Changes in Fund Equity

ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	PROPRIETARY FUND TYPES	
	Enterprise	Internal Service
Operating revenues:		
Charges for services	$709,866	$500,223
Contributions	81	31,640
Interest and other investment income	89,231	25,876
Licenses, fees, and permits	1,235	200
Other operating revenues	–	–
Total operating revenues	**800,413**	**557,939**
Operating expenses:		
General operations and administration	409,624	124,023
Benefits and claims	59,064	404,542
Interest	71,787	–
Depreciation and amortization	90,660	14,630
Costs to be recovered from future revenues	(26,527)	–
Other operating expenses	6,676	1,522
Total operating expenses	**611,284**	**544,717**
Operating income	**189,129**	**13,222**
Nonoperating revenues (expenses):		
Interest income	26,310	2,931
Federal revenue	22,348	312
Interest expense	(155,454)	(8,729)
Other nonoperating revenues (expenses)	(14,035)	2
Total nonoperating revenues (expenses)	**(120,831)**	**(5,484)**
Income before operating transfers	**68,298**	**7,738**
Operating transfers in	4,697	5,599
Operating transfers out	(5,629)	(348)
Income before extraordinary items	**67,366**	**12,989**
Extraordinary gain	–	–
Net income	**67,366**	**12,989**
Retained earnings/fund balances, July 1, 1990 (restated)	**723,848**	**169,364**
Retained earnings/fund balances, June 30, 1991	**791,214**	**182,353**
Contributed capital, July 1, 1990	**196,121**	**73,599**
Additions to contributed capital	–	**2,750**
Deductions from contributed capital	–	**(1,056)**
Fund equity, June 30, 1991	**$987,335**	**$257,646**

The Notes to the Financial Statements are an integral part of this statement.

FIDUCIARY FUND TYPES		Totals (Memorandum Only) For the Fiscal Year Ended June 30	
Nonexpendable Trust	Pension Trust	1991	1990
$ –	$ –	$1,210,089	$1,200,638
58	596,039	627,818	598,778
9	750,950	866,066	802,649
102	–	1,537	769
–	–	–	135
169	1,346,989	2,705,510	2,602,969
3	–	533,650	509,682
–	440,997	904,603	803,205
–	–	71,787	68,539
–	–	105,290	106,451
–	–	(26,527)	(28,793)
–	–	8,198	9,238
3	440,997	1,597,001	1,468,322
166	905,992	1,108,509	1,134,647
–	–	29,241	32,136
–	–	22,660	27,711
–	–	(164,183)	(163,854)
–	–	(14,033)	(11,331)
–	–	(126,315)	(115,338)
166	905,992	982,194	1,019,309
–	8,302	18,598	20,188
–	(5,599)	(11,576)	(11,766)
166	908,695	989,216	1,027,731
–	–	–	7,490
166	908,695	989,216	1,035,221
704	7,594,832	8,488,748	7,453,527
870	8,503,527	9,477,964	8,488,748
–	–	269,720	263,995
–	–	2,750	6,514
–	–	(1,056)	(769)
$870	$8,503,527	$9,749,378	$8,758,468

Combined Statement of Cash Flows

ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	
	Enterprise	Internal Service	Nonexpendable Trust	Totals (Memorandum Only)
Cash flows from operating activities:				
Operating income	$189,129	$ 13,222	$166	$202,517
Adjustments to reconcile operating income to net cash provided by operations:				
Depreciation and amortization	90,660	14,630	–	105,290
Loss on disposition of property and equipment	39	359	–	398
Nuclear fuel settlement	(3,654)	–	–	(3,654)
Issuance of loans	(56,333)	–	–	(56,333)
Collection of loans	22,344	–	–	22,344
Transfer of operating income to noncapital financing activites	8,298	–	–	8,298
Other	(21,922)	2,078	–	(19,844)
Change in assets–decreases (increases):				
Accounts receivable, net	7,884	40,565	(1)	48,448
Loans and notes receivable, net	(53,116)	–	–	(53,116)
Assessments receivable	(22,072)	–	–	(22,072)
Due from Federal government and other grantors	1,930	156	–	2,086
Due from other funds	704	(10,575)	1	(9,870)
Interfund receivables	–	–	(15)	(15)
Inventories	(380)	1,049	–	669
Other current assets	(928)	1,768	–	840
Deferred charges	612	–	–	612
Change in liabilities–increases (decreases):				
Accounts payable and accrued liabilities	2,309	(1,367)	–	942
Intergovernmental payables	(279)	–	–	(279)
Insurance claims incurred but not reported	17,541	47,145	–	64,686
Due to other funds	79	(2)	12	89
Interfund payables	–	(499)	–	(499)
Deferred revenues	450	(7,457)	–	(7,007)
Deposits	427	–	–	427
Deferred compensation	41	–	–	41
Compensated absences payable	67	243	–	310
Other liabilities	(6,415)	403	–	(6,012)
Net cash and cash equivalents provided by operating activities	**177,415**	**101,718**	**163**	**279,296**
Cash flows from noncapital financing activities:				
Proceeds from loans made by other funds	210	2,786	–	2,996
Principal payments made to other funds	–	(2,031)	–	(2,031)
Interest payments made to other funds	–	(1,836)	–	(1,836)
Proceeds from sale of revenue bonds	95,939	–	–	95,939
Principal payments on revenue bonds	(27,690)	–	–	(27,690)
Proceeds from notes payable	110	–	–	110
Principal payments on notes payable	(38)	–	–	(38)
Interest payments	(9,209)	–	–	(9,209)
Federal revenue	9,467	–	–	9,467
Proceeds from Federal grants	12,881	312	–	13,193
Payments from Federal grants	(12,881)	–	–	(12,881)
Other nonoperating revenues	–	2	–	2
Operating transfers in	4,697	5,599	–	10,296
Operating transfers out	(5,629)	(348)	–	(5,977)
Operating deficiency reimbursement	316	–	–	316
Net cash and cash equivalents provided by noncapital financing activities	**68,173**	**4,484**	**–**	**72,657**

The Notes to the Financial Statements are an integral part of this statement.

Continued on Next Page

Combined Statement of Cash Flows

ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND (Continued)

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE	
	Enterprise	Internal Service	Nonexpendable Trust	Totals (Memorandum Only)
Cash flows from capital and related financing activities:				
Acquisition of property and equipment	$(118,147)	$ (5,232)	$ –	$(123,379)
Proceeds from sale of property and equipment	654	49	–	703
Proceeds from loans made by other funds	–	4,501	–	4,501
Principal payments made to other funds	–	(2,645)	–	(2,645)
Interest payments made to other funds	–	(2,365)	–	(2,365)
Proceeds from sale of revenue bonds	21,416	–	–	21,416
Principal payments on revenue bonds	(36,586)	–	–	(36,586)
Interest payments	(142,569)	(4,528)	–	(147,097)
Increase in commercial paper notes	70,000	–	–	70,000
Proceeds from notes payable	4,400	–	–	4,400
Principal payments on notes payable	(4,713)	–	–	(4,713)
Proceeds from capital leases and installment debt obligations payable	922	–	–	922
Principal payments on capital leases and installment debt obligations payable	(3,419)	(6,510)	–	(9,929)
Contributions of capital	–	87	–	87
Return of contributed capital	–	(11)	–	(11)
Increase in other long term assets	(8,777)	–	–	(8,777)
Increase in long term liabilities	2,236	–	–	2,236
Insurance proceeds	2,966	–	–	2,966
Additions to deferred loan costs	388	–	–	388
Net cash and cash equivalents (used in) capital and related financing activities	**(211,229)**	**(16,654)**	**–**	**(227,883)**
Cash flows from investing activities:				
Proceeds from sale of investments	64,285	9,010	–	73,295
Purchase of investments	(110,928)	(12,510)	–	(123,438)
Receipt of interest	27,318	586	–	27,904
Principal payments received on notes receivable	–	51	–	51
Principal payments received from other funds	–	5,036	–	5,036
Receipt of interest from other funds	–	2,345	–	2,345
Loans made to other funds	–	(8,954)	–	(8,954)
Net cash and cash equivalents (used in) investing activities	**(19,325)**	**(4,436)**	**–**	**(23,761)**
Net increase in cash and cash equivalents	**15,034**	**85,112**	**163**	**100,309**
Cash and cash equivalents, July 1, 1990 (restated)	**433,006**	**306,418**	**590**	**740,014**
Cash and cash equivalents, June 30, 1991	**$448,040**	**$391,530**	**$753**	**$840,323**

Noncash investing, capital and financing activities:

The Motor Pool Fund, reported within the State's Internal Service Funds, acquired equipment valued at $31 thousand from the General Fixed Asset Account Group.

The Highway Department Internal Service Fund, reported within the State's Internal Service Funds, acquired equipment valued at $2.506 million from the General Fixed Assets Account Group.

Combined Statement of Changes in Fund Balances

HIGHER EDUCATION FUNDS

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	CURRENT FUNDS			
	Unrestricted	Restricted	LOAN FUNDS	ENDOWMENT AND SIMILAR FUNDS
Revenues and other additions:				
Unrestricted Current Fund revenues	$ 780,269	$ –	$ –	$ –
Restricted student tuition and fees	–	–	–	–
Federal grants and contracts–restricted	–	131,730	921	–
State grants–restricted	–	6,544	35	200
Private gifts, grants, and contracts–restricted	–	43,377	25	1,490
Investment income–restricted	–	3,199	137	109
Realized investment gains–restricted	–	49	3	1,132
Interest earned	–	10	859	10
Expended for plant facilities	–	–	–	–
Retirement of indebtedness	–	–	–	–
Proceeds of bond refunding	–	–	–	–
Capitalization of interest cost	–	–	–	–
Insurance proceeds	–	–	–	–
Proceeds from bonds and notes	–	–	–	–
Sale of land and timber	–	–	–	335
Other revenues and additions	–	1,559	163	105
Total revenues and other additions	780,269	186,468	2,143	3,381
Expenditures and other deductions:				
Educational and general	919,868	173,164	–	–
Auxiliary enterprises	143,217	1,499	–	–
Hospital	248,320	53	–	–
Indirect costs recovered	–	15,041	–	–
Loan cancellation and bad debt write-offs	–	–	601	14
Administration and collection costs	–	76	259	–
Expended for plant facilities	–	–	–	–
Retirement of indebtedness	–	–	–	–
Interest on indebtedness	–	–	–	–
Disposal of plant facilities	–	–	–	–
Refunding bonds issued	–	–	–	–
Payment to refunded bond escrow agent	–	–	–	–
Refunds to grantors	–	–	121	–
Other expenditures and deductions	1,294	131	96	–
Total expenditures and other deductions	1,312,699	189,964	1,077	14
Transfers in (out):				
Transfers among Higher Education Funds:				
Mandatory transfers for:				
Principal and interest	(30,726)	(12)	–	–
Loan fund matching grant	(84)	–	84	–
Other	1,690	(36)	–	84
Nonmandatory transfers	(9,491)	(2,802)	483	681
Operating transfers in	627,335	6,537	–	–
Operating transfers out	(43,121)	–	–	–
Total transfers in (out)	545,603	3,687	567	765
Net increases (decrease) in fund balances	13,173	191	1,633	4,132
Fund balances, July 1, 1990 (restated)	74,417	23,705	37,457	31,239
Fund balances, June 30, 1991	$ 87,590	$ 23,896	$39,090	$35,371

The Notes to the Financial Statements are an integral part of this statement.

PLANT FUNDS				Totals for the Fiscal Year Ended June 30	
Unexpended	Renewal and Replacements	Retirement of Indebtedness	Investment in Plant	1991	1990
$ –	$ –	$ –	$ –	$ 780,269	$ 641,476
3,488	1,947	11,063	–	16,498	15,914
4,449	–	323	55	137,478	124,447
2,188	–	–	–	8,967	9,630
693	20	–	2,024	47,629	61,136
2,081	646	2,907	–	9,079	5,237
–	–	–	–	1,184	1,099
2,442	–	2,107	–	5,428	6,135
–	–	–	129,770	129,770	157,309
8,277	–	–	53,048	61,325	17,248
–	–	42,390	–	42,390	6,338
1,979	–	–	–	1,979	1,891
2,679	–	–	–	2,679	15,603
1,152	–	–	–	1,152	3,317
–	1,177	–	–	1,512	210
2,745	34	2,946	448	8,000	23,910
32,173	**3,824**	**61,736**	**185,345**	**1,255,339**	**1,090,900**
–	–	–	–	1,093,032	1,050,708
–	–	–	–	144,716	130,599
–	–	–	–	248,373	168,648
–	–	–	–	15,041	12,288
–	–	–	–	615	244
–	–	–	–	335	398
74,805	4,326	–	–	79,131	91,564
–	–	20,996	–	20,996	17,248
–	–	15,975	–	15,975	14,829
–	–	–	30,338	30,338	36,705
11,287	–	–	31,103	42,390	–
–	–	42,217	–	42,217	6,306
–	–	–	–	121	35
6,581	162	280	1,546	10,090	16,537
92,673	**4,488**	**79,468**	**62,987**	**1,743,370**	**1,546,109**
(247)	–	30,985	–	–	–
–	–	–	–	–	–
(883)	–	(855)	–	–	–
48,408	2,850	(16,974)	(23,155)	–	–
30,749	413	–	–	665,034	650,538
–	–	–	–	(43,121)	(13,231)
78,027	**3,263**	**13,156**	**(23,155)**	**621,913**	**637,307**
17,527	**2,599**	**(4,576)**	**99,203**	**133,882**	**182,098**
76,166	**8,471**	**45,641**	**1,641,524**	**1,938,620**	**1,756,522**
$93,693	**$11,070**	**$41,065**	**$1,740,727**	**$2,072,502**	**$1,938,620**

Combined Statement of Current Funds Revenues, Expenditures, and Other Changes

HIGHER EDUCATION FUNDS

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	Unrestricted	Restricted	Totals for the Fiscal Year Ended June 30 1991	1990
Revenues:				
Tuition and fees	$ 252,737	$ –	$ 252,737	$ 229,874
Federal grants and contracts	13,413	117,279	130,692	131,041
State grants and contracts	6,103	6,245	12,348	9,980
Local grants and contracts	17,832	1,053	18,885	18,068
Private gifts, grants, and contracts	11,473	39,016	50,489	43,279
Endowment income	299	1,708	2,007	1,705
Sales and services of educational departments	31,483	3	31,486	32,319
Sales and services of auxiliary enterprises	153,681	–	153,681	134,912
Sales and services of hospitals	258,908	53	258,961	167,811
Other	34,340	2,260	36,600	26,821
Total current revenues	**780,269**	**167,617**	**947,886**	**795,810**
Expenditures and mandatory transfers:				
Educational and general:				
Instruction	436,785	28,146	464,931	439,165
Research	47,566	63,797	111,363	101,640
Public service	64,115	26,103	90,218	89,553
Academic support	99,256	6,345	105,601	90,378
Student services	53,319	2,751	56,070	51,786
Institutional support	110,751	1,937	112,688	127,962
Operation and maintenance of plant	98,783	569	99,352	101,087
Scholarships and fellowships	9,293	43,516	52,809	49,137
Educational and general expenditures	919,868	173,164	1,093,032	1,050,708
Mandatory transfers for:				
Principal and interest	17,003	12	17,015	16,941
Loan fund matching grant	84	–	84	121
Other	(1,690)	36	(1,654)	6
Total educational and general	935,265	173,212	1,108,477	1,067,776
Auxiliary enterprises:				
Expenditures	143,217	1,499	144,716	130,599
Mandatory transfers for:				
Principal and interest	13,723	–	13,723	10,382
Renewals and replacements	–	–	–	740
Total auxiliary enterprises	156,940	1,499	158,439	141,721
Hospital expenditures	248,320	53	248,373	168,648
Total expenditures and mandatory transfers	**1,340,525**	**174,764**	**1,515,289**	**1,378,145**
Other transfers and additions (deductions):				
Excess of restricted receipts over transfers to revenues	–	3,810	3,810	4,388
Operating transfers in	627,335	6,537	633,872	614,927
Operating transfers out	(43,121)	–	(43,121)	(13,231)
Other additions and deductions	(10,785)	(3,009)	(13,794)	(7,993)
Total operating transfers and additions	**573,429**	**7,338**	**580,767**	**598,091**
Net increase in fund balances	**$ 13,173**	**$ 191**	**$ 13,364**	**$ 15,756**

The Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Scope of Reporting Entity

These financial statements include all component units over which the State's elected officials exercise significant oversight responsibility. Financial interdependency is the most important element of oversight responsibility. However, the following also were considered in determining the scope of the reporting entity:

Selection of governing authority
Designation of management
Ability to significantly influence operations
Accountability for fiscal matters

Based on the above criteria, the following significant component units are included in these financial statements:

Fiscal years ended June 30, 1991:
- State-supported colleges/universities
- Area technical colleges
- The State's five retirement systems
- State Housing Finance and Development Authority
- State Ports Authority
- State Education Assistance Authority and Student Loan Corporation
- South Carolina Research Authority
- Patriots' Point Development Authority
- The Local Government Investment Pool

Fiscal years ended December 31, 1990:
- South Carolina Public Service Authority (Santee-Cooper)
- South Carolina Deferred Compensation Plans
- Public Railways Commission (and Tangent Transportation Company)

These financial statements exclude the related foundations listed in Note 16 because the State does not significantly influence operations of the related foundations nor are the related foundations accountable to the State for fiscal matters.

b. Basis of Presentation--Fund Accounting

The State uses fund accounting under which it segregates its resources and accounts for them in various individual funds. Each individual fund is an accounting entity with a self-balancing set of accounts. Individual funds that have similar characteristics are combined into fund types.

Governmental Funds

Governmental Funds finance most of the State's governmental functions. The measurement focus of the Governmental Funds is on sources, uses, and balances of financial resources.

The General Fund is the State's general operating fund. It accounts for resources that fund the services South Carolina's State government traditionally has provided to its citizens, except those required to be accounted for in another fund.

Special Revenue Funds account for specific revenue sources (other than for Capital Projects, Trust, and Higher Education Funds) that are legally restricted for specified purposes.

Capital Projects Funds account for resources to acquire major capital facilities for use by the General Fund and Special Revenue Funds, including planning/construction of the State's highway system.

Debt Service Funds are not used because the State does not accumulate resources to pay future years' general long-term obligations. Instead, the State finances such payments directly from the current year's resources.

Proprietary Funds

Proprietary Funds account for activities similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flows.

Enterprise Funds account for business-like State activities that provide goods/services to the public financed primarily through user charges.

Internal Service Funds provide goods/services to other funds, other component units, or other governments on a cost-allocation basis.

Fiduciary Funds

Fiduciary Funds account for resources the State holds as trustee or agent for individuals, private organizations, or other governmental units. Both principal and earnings of Expendable Trust Funds may be used for purposes allowed under the trust agreements. Only the earnings, but not the principal, of Nonexpendable Trust Funds may be expended.

Expendable Trust Funds have the same measurement focus as Governmental Funds. Nonexpendable Trust and Pension Trust Funds have the same measurement focus as Proprietary Funds. Agency Funds are custodial in nature and do not involve measurement of results of operations.

Account Groups

The General Fixed Assets Account Group includes all fixed assets other than those accounted for in the Proprietary and Higher Education Funds.

Notes to the Financial Statements

The General Long-Term Obligations Account Group accounts for all long-term obligations not accounted for in the Proprietary and Higher Education Funds. Significant long-term obligations include bonds, notes, capital leases, compensated absences, and claims/judgments.

c. Basis of Accounting

The basis of accounting determines when the State recognizes revenues and expenditures/expenses and related assets and liabilities, regardless of measurement focus.

Governmental, Expendable Trust, and Agency Funds

The modified accrual basis of accounting is used in Governmental, Expendable Trust, and Agency Funds. Under the modified accrual basis, revenues are recorded when they become susceptible to accrual (i.e., both measurable and available). Except for entitlements, unemployment insurance taxes, and interest on investments, revenues are deemed available at year-end only if received within one month following year-end. Unemployment insurance taxes in the Expendable Trust Funds are deemed available at year-end only if received within forty-five days following year-end. Interest on investments is recorded as earned because it is deemed available when earned. Deferred revenue is recorded for receivables that are measurable but not available at year-end.

Individual income taxes in the hands of employers, sales and similar taxes (including gasoline taxes) in the hands of merchants or other State collection agents, delinquent taxes, charges for services and commodities, and interest income are accrued at year-end. Non-delinquent corporate income taxes, fines, forfeitures, licenses and fees, and other miscellaneous taxes and revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Expenditures generally are recorded when goods or services are received. An exception is that principal and interest on obligations reflected in the General Long-Term Obligations Account Group are recorded as expenditures when due. Additional exceptions are that expenditures for compensated absences, claims, and judgments reflected in the General Long-Term Obligations Account Group are recorded when paid.

Proprietary, Nonexpendable Trust, and Pension Trust Funds

The State uses the accrual basis of accounting to report activity of the Proprietary, Nonexpendable Trust, and Pension Trust Funds. Under the accrual basis of accounting, the State recognizes revenues when earned and expenses when incurred. The Public Service Authority, an Enterprise Fund, is a regulated utility which uses accounting principles established by the Federal Energy Regulatory Commission.

Grant/Entitlement Revenues

The State recognizes grants, including non-cash support, as revenue when the State has incurred grant costs and has met all related grant requirements (such as matching requirements). Food stamps totaling $222.2 million and food commodities of $15.9 million represent the largest sources of non-cash support for the year ended June 30, 1991. In contrast, the State recognizes entitlements as revenue at the beginning of the entitlement period.

Pending determination of which funds are to be financed, grant/entitlement monies to be distributed to other State agencies are accounted for in Agency Funds. At June 30, 1991, assets totaling approximately $4.1 million were being held in Agency Funds pending such determination.

d. Cash and Cash Equivalents

The amounts shown on the Combined Balance Sheet as Cash and Cash Equivalents represent petty cash, cash on deposit in banks, and cash invested in various instruments as a part of the State's cash management pool. Because the cash management pool operates as a demand deposit account, amounts invested in the pool are classified as Cash and Cash Equivalents. The State Treasurer administers the cash management pool. The pool includes some long-term investments such as obligations of the United States and certain agencies of the United States, obligations of the State of South Carolina and certain of its political subdivisions, certificates of deposit, and collateralized repurchase agreements.

Most State agencies participate in the cash management pool. Significant component units excluded from the pool, however, are the State's retirement and deferred compensation plans, the South Carolina Public Service Authority, Public Railways Commission, Ports Authority, and the Local Government Investment Pool. Certain activities of the Higher Education Funds and the Housing Authority Fund, an Enterprise Fund, also are excluded from the pool. For activities excluded from the pool, Cash Equivalents include investments in short-term, highly liquid securities having a maturity of three months or less.

e. Cash Management Pool--Allocation of Interest

The State's cash management pool consists of a general deposit account and several special deposit accounts. The State records each fund's equity interest in the general deposit account. All earnings on that account, however, are recorded in the General Fund. In contrast, each special deposit account retains its own earnings.

f. Investments and Deferred Yield Adjustment for Security Exchanges

Investments are stated at amortized cost using the effective interest method to amortize bond premiums/discounts over the time from purchase to matu-

Notes to the Financial Statements

rity, except for deferred compensation plans' investments which are valued at the value of the underlying insurance contracts.

Additionally, gains and losses on bond exchanges in the Pension Trust Funds are accounted for under the deferral and amortization method. Net gains and losses on bond exchanges are deferred and amortized on a straight-line basis over the shorter of the life of the bond sold or purchased. The unamortized amount is reported as a Deferred Yield Adjustment for Security Exchanges on the Combined Balance Sheet. Gains or losses arising from non-exchange bond transactions are not deferred; they are recognized in the current year.

g. Receivables

Receivables are stated net of allowances for uncollectible amounts. Uncollectible amounts are estimated based upon past collection experience.

h. Inventories

Inventories of the Governmental and Expendable Trust Funds are valued at cost while inventories of the Proprietary Funds are valued at the lower of cost (first-in, first-out) or market. The Governmental and Expendable Trust Funds use the purchases method while the Proprietary Funds use the consumption method.

i. Fixed Assets and Depreciation

Fixed assets are valued at historical cost or at estimated historical cost if actual historical cost data are not available. Donated fixed assets are recorded at fair market value on the donation date.

Governmental Funds

Governmental Funds record expenditures when they acquire fixed assets and capitalize those assets in the General Fixed Assets Account Group. The General Fixed Assets Account Group records neither depreciation nor capitalization of interest expenditures during construction. The State does not record its public domain (infrastructure) assets in the General Fixed Assets Account Group.

Proprietary and Nonexpendable Trust Funds

Proprietary and Nonexpendable Trust Funds capitalize fixed assets when acquired. Net interest costs are capitalized on projects during the construction period. Depreciation is provided using the straight-line method over the following estimated useful lives:

Asset	Years
Wando River channel dredging project	50
Other land improvements	20 - 30
Residential buildings	20 - 30
Office and other buildings	20 - 40
Hydro-electric utility plants	55
Other utility plants	22 - 37
Automobiles, vans, light trucks	5 - 8
Heavy trucks and buses	8 - 15
Airplanes and helicopters	3 - 8
Other furnishings and equipment	5 - 15

Depreciation on fixed assets acquired from Contributed Capital is closed to Retained Earnings.

j. Restricted Assets

Enterprise Fund assets required to be held and/or used as specified in bond indentures and bond resolutions have been recorded as Restricted Assets. These assets are classified into four categories: Cash and Cash Equivalents, Investments, Loans Receivable, and Other. The State's restricted assets consist primarily of United States government securities, repurchase agreements, and mortgage-backed securities.

k. Deferred Charges

Unamortized loss on refunded debt and deferred costs to be recovered from future revenues of the South Carolina Public Service Authority (a regulated utility) are recorded as Deferred Charges in the Enterprise Funds. The Authority amortizes significant gains/losses on refunding debt issues over the life of the new issues rather than recognizing the gain/loss as an extraordinary item at the date of refunding. The recovery of outstanding amounts associated with costs to be recovered from future revenue will coincide with the retirement of the outstanding long-term debt of the Authority.

l. Tax Refunds Payable

During the calendar year, the State collects employee withholdings and taxpayers' payments for personal income taxes. Taxpayers file returns by April 15 for the preceding calendar year. At June 30, the State estimates the amount it owes taxpayers for overpayments during the preceding six months. This estimated payable is recorded as Tax Refunds Payable and a reduction of Tax Revenues.

m. Compensated Absences

During their first ten years of service, full-time permanent State employees annually earn 15 days of vacation leave and 15 days of sick leave. After ten years, employees earn an additional 1.25 days of vacation leave for each year of service over ten until they reach the maximum of 30 days per year. Employees may carry forward up to 45 days of vacation leave and 180 days of sick leave from one calendar year to the next. Upon termination of employment, the State pays employees

Notes to the Financial Statements

for accumulated vacation leave at the pay rate then in effect. Employees do not receive pay for accumulated sick leave when they terminate.

The General and Special Revenue Funds record expenditures when they pay employees for leave, and the liability for accumulated vacation leave is recorded in the General Long-Term Obligations Account Group. For Proprietary Funds, the cost of vacation leave is recorded as an expense and a liability when earned by the employee.

n. Interfund Transactions

The State accounts for the following types of interfund transactions:

Interfund loans may occur between two State funds. Short-term interfund loans outstanding at year-end are recorded as Interfund Receivables/Payables. Advances To/From Other Funds represent long-term interfund loans receivable and payable.

Reimbursements result when one fund makes an expenditure on behalf of another fund. Reimbursement transactions reduce expenditure in the reimbursed fund and increase expenditure in the reimbursing fund.

Quasi-external transactions involve charges for goods or services that one fund delivers or provides to another. These transactions may result in the recording of short-term receivables or payables (Due From or To Other Funds) at year-end.

Residual equity transfers are nonroutine or nonrecurring transfers between funds.

Operating transfers include all interfund transactions that are not loans, reimbursements, quasi-external transactions, or residual equity transfers.

The State eliminates material intrafund transactions and interfund transactions that occur within a single combined financial statement fund type.

o. Risk Management

Several funds accumulate assets to cover risks that the State incurs in its normal operations. Specifically, the State itself (rather than an insurance carrier) assumes substantially all risks associated with:

- Claims of State employees for unemployment compensation benefits
- Claims of covered employees for workers' compensation benefits
- Claims of covered public employees for health insurance, dental insurance, and group life insurance benefits (insurance carriers, however, provide claims administration services)

In addition, the State maintains an Insurance Reserve Fund to cover risks associated with:

- Real property including public buildings, local public schools, and their contents
- Motor vehicles, school buses, and aircraft
- General tort claims that parties may file against the State or its political subdivisions
- Medical malpractice claims that parties may file against covered hospitals

The Insurance Reserve Fund purchases insurance coverage for a portion of these liabilities.

The State has recorded liabilities both for claims known but not paid and for claims incurred but not reported at June 30 in its risk management funds, which are reported primarily as Internal Service Funds.

The State also administers the following public entity risk pools reported within the State's Enterprise Funds:

- Workers' Compensation Second Injury Fund
- Patients' Compensation Fund (medical malpractice insurance)

p. Discrete Presentation--Higher Education Funds

Financial activities of the State's higher education institutions are reported in the Higher Education Funds. These funds use generally accepted accounting principles that apply to colleges and universities as contained in Audits of Colleges and Universities published by the American Institute of Certified Public Accountants. The Higher Education Funds are presented in a separate column on the Combined Balance Sheet as a discrete presentation. The Combined Statement of Changes in Fund Balances--Higher Education Funds presents the following fund types:

Current Funds account for resources that higher education institutions may use for any purpose in carrying out their primary objectives. Restricted Current Funds include resources that donors or other outside agencies have restricted for specific current operating purposes. All other current funds are Unrestricted Current Funds.

Loan Funds account for resources available for loans to students, faculty, or staff of higher education institutions.

Endowment and Similar Funds account for endowment and quasi-endowment transactions. These funds are similar to trust funds. The State must comply with the terms of any applicable agreements.

Plant Funds account for transactions involving physical properties of the higher education institutions. The Unexpended Plant subgroup accounts for monies that institutions will use to acquire physical properties in future accounting periods. The Renewal and Replacements subgroup accounts for monies the institutions have set aside for the renewal and replacement of institutional properties. The Retirement of Indebtedness subgroup includes monies to pay debt service and to retire indebtedness on institutional properties. The Investment in Plant subgroup accounts for funds that institutions have expended for (and thus have invested in) their properties and any related outstanding debt.

Notes to the Financial Statements

Agency Funds within the Higher Education Funds account for amounts that higher education institutions hold as custodians or fiscal agents for others.

The Combined Statement of Current Funds Revenues, Expenditures, and Other Changes--Higher Education Funds is a statement of financial activities related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

Cash transfers from the General Fund to the higher education institutions appear as expenditures on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Budgetary Basis)--All Budgeted Funds. On all other combined operating statements, however, such transfers to the institutions from the General Fund appear as Operating Transfers from the General Fund to the Higher Education Funds.

The measurement focus in the Higher Education Funds is upon determination of resources received and used. The Higher Education Funds use the accrual basis. However, depreciation of fixed assets is not recorded. In addition, revenues from tuition and student fees of a summer session are reported totally within the fiscal year in which the session is predominantly conducted. Current Funds used to finance plant assets are accounted for as (1) expenditures for normal replacement of movable equipment and library books, (2) mandatory transfers for required provisions for debt amortization/interest and equipment renewal and replacement, and (3) transfers of a nonmandatory nature for all other cases.

Higher Education Funds record expenditures when they acquire fixed assets and capitalize those assets within their Plant Funds. These funds capitalize interest expenditures during construction but do not record depreciation.

Higher Education Funds use the consumption method of recording inventories.

q. Totals (Memorandum Only) Columns

Amounts in the "Totals--Memorandum Only" columns represent an aggregation of the combined financial statement line-items to facilitate financial analysis. Amounts in the "Totals--Memorandum Only" columns are not comparable to a consolidation.

"Memorandum Only" columns for 1990 are included to provide a summarized comparison with comparable 1991 amounts. The 1990 totals are not intended to present all information necessary for a fair presentation of financial position and results of operations in accordance with generally accepted accounting principles.

To enhance comparability, some 1990 amounts have been reclassified to conform with the presentation used in the 1991 financial statements and have been restated for the matters discussed in Note 4.

NOTE 2: BUDGETARY ACCOUNTING AND REPORTING

a. Budgetary Funds

South Carolina's Appropriation Act does not present budgets by GAAP fund. Instead, it presents budgets for:

General Funds. These funds are general operating funds. The resources in these funds are primarily taxes. The State expends General Funds to provide traditional State government services. The General Funds column in the Appropriation Act differs somewhat from the GAAP General Fund.

Total Funds. The Total Funds column in the Appropriation Act includes all budgeted resources. Amounts in this column include General Funds as well as most Federal and department-generated resources. Total Funds include some Proprietary and Capital Project Fund activities but exclude Pension Trust Funds and most other Trust and Agency Fund activities.

The accompanying financial statements include a Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Budgetary Basis)--All Budgeted Funds. The Budgetary General Fund category on that statement corresponds to the General Funds column in the Appropriation Act. The Other Budgeted Funds category represents the difference between the Total Funds and the General Funds columns in the Appropriation Act.

b. Budgetary Basis of Accounting

Current legislation states that the General Assembly intends to appropriate all monies to operate State government for the current fiscal year. Unexpended Budgetary General Fund appropriations lapse on July 31 unless the department or agency is given specific authorization to carry them forward to the next fiscal year. Cash-basis accounting for payroll expenditures is required.

State law does not precisely define the budgetary basis of accounting. In practice, however, it is the cash basis with the following exceptions:

(i) Departments and agencies charge certain vendor and interfund payments against the preceding fiscal year's appropriations through July 19.

(ii) Several types of revenues collected in advance are recorded as liabilities (deferred revenues) rather than as revenues.

(iii) In the past, the State's budgetary accounting principles allowed revenue to be recorded only when the State received the related cash. On July 30, 1991, however, the State Budget and Control Board approved a change to the modified accrual basis for sales tax revenue (including the 1% sales tax applicable to the Education Improvement Act) beginning with the fiscal year ended June 30, 1991. As a result, sales tax revenue for the fiscal year

Notes to the Financial Statements

ended June 30, 1991, in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Budgetary Basis) has been recorded on the modified accrual basis. The one-time increase in resources on the budgetary basis resulting from the change is reported below revenues in a separate section labeled "Other Resources." This reporting reflects the fact that no official budget estimate was adopted for this item and management's belief that this item should be excluded from computations of formulas based on annual revenue of the Budgetary General Fund on the budgetary basis of accounting. Such formulas include those that determine certain reserve requirements and the State's debt service limit.

c. Budgetary Policies

State law does not require the use of encumbrance accounting. Neither the General Fund nor the Budgetary General Fund, therefore, records encumbrances or a reserve for encumbrances. Instead, the General Fund records the authorized appropriations to be carried forward as a reserve of fund balance.

The State maintains budgetary control at the level of major object class of expenditure within each program of each department or agency. All budgeted departments and agencies except the higher education institutions and the Department of Highways and Public Transportation process their disbursement vouchers through a central budgetary accounting system maintained by the Comptroller General's Office. Departments and agencies may process disbursement vouchers in the State's budgetary accounting system only if enough cash and appropriations exist. The State's 1990-91 Appropriation Act has approximately 5,400 appropriated line items. These line items constitute the level of legal control over expenditures. The level of legal control for all agencies is reported in a publication of the State Comptroller General's Office titled "A Detailed Report of Appropriations and Expenditures," not included herein. Departments and agencies may request transfers of appropriations among major object classes and/or among programs within the same budgetary fund. No such transfer request, however, may exceed twenty percent of the program budget. The Budget and Control Board, composed of five key executive and legislative officials, has the authority to approve such requests.

Each year, the General Assembly enacts an Appropriation Act that includes initial estimated revenue and appropriation figures for the Budgetary General Fund. The 1990-91 Appropriation Act directed the Budget and Control Board to reduce the Budgetary General Fund's appropriations during the year if necessary to prevent a deficit. Likewise, the Budget and Control Board may approve increases or decreases in the Budgetary General Fund's estimated revenues during the year when recommended by the State Board of Economic Advisors.

For Other Budgeted Funds, the annual Appropriation Act presents estimated revenue amounts only for Education Improvement Act and highway revenues. The Budget and Control Board, however, provides estimated revenue amounts for the other resources in these funds. The Appropriation Act includes all appropriation amounts for these funds.

As operating conditions change, departments and agencies may request revisions of estimated revenues and expenditures in Other Budgeted Funds. Such changes require the Governor's approval, the Joint Appropriation Review Committee's concurrence, and the Budget and Control Board's review. Departments and agencies also may request revisions of estimated revenues and appropriations for permanent improvement projects that the General Assembly did not specifically authorize. The Budget and Control Board and the Joint Bond Review Committee must approve and review these changes. During the current fiscal year, the State's budget was amended in accordance with the procedures outlined above.

During the fiscal year ended June 30, 1991, the General Assembly did not enact a Supplemental Appropriation Act.

d. Excess of Expenditures Over Appropriations

For the fiscal year ended June 30, 1991, the following had expenditures which exceeded appropriations at the level of legal control by the following amounts (expressed in thousands):

Other Budgeted Funds	
Educational	$9,502
Health	827

The overexpenditures in the Educational category were associated with the State's Technical Colleges. These institutions are among those component units which have the authority under State law to maintain their own accounting systems. The overexpenditures in the Health category related to local offices of the Department of Health and Environmental Control. These agencies had sufficient budgetary-basis revenue and cash to provide for all of their budgetary-basis expenditures.

e. Legal Limit On Appropriations

State law imposes a ceiling on appropriations for general, school, and highway purposes. The limit equals the greater of: (1) the limit for the last fiscal year increased by the average percentage rate of growth in State personal income for the previous three completed calendar years, or (2) 9.5% of the total personal income of the State for the last completed calendar year.

The 1990-91 Appropriation Act included appropriations of $4.038 billion for general, school, and highway purposes--$510.5 million less than the legal limit.

Notes to the Financial Statements

f. Legal Limit on Number of State Employees

The State's Constitution and statutes limit the number of employees that the Budgetary General Fund may fund. The number of these employees may not increase faster than the State's population. On June 30, 1991, 38,641 employees were funded by the State's Budgetary General Fund--4,702 fewer than the legal limit.

g. Reconciliation of Budget/GAAP Reporting Differences

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Budgetary Basis)--All Budgeted Funds presents comparisons of the State's legally adopted budget with actual data on the budgetary basis of accounting. Budgetary accounting principles, however, differ significantly from GAAP accounting principles. These different accounting principles result in basis, perspective, entity, and timing differences in the excess of revenues, other resources, and other sources of financial resources over (under) expenditures and other uses of financial resources. These differences (expressed in thousands) for the fiscal year ended June 30, 1991, were:

	Financial Statement Fund Types										
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Expendable Trust	Nonexpendable Trust	Pension Trust	Agency	Higher Education	Totals (Memorandum Only)
Classification of budgetary excess of revenues, other resources, and other sources over (under) expenditures and other uses into GAAP fund structure:											
Budgetary General Fund	$ (73,568)	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ (73,568)
Other Budgeted Funds	(5,663)	46,948	(1,548)	3,683	3,499	(38)	113	–	388	(9,702)	37,680
Totals	(79,231)	46,948	(1,548)	3,683	3,499	(38)	113	–	388	(9,702)	(35,888)
Timing differences	–	–	–	–	–	–	–	–	–	1,281	1,281
Basis differences	(100,771)	3,518	(856)	5,516	(8,178)	17,486	–	–	(388)	23,263	(60,410)
To record excess of revenues, other resources, and other sources over (under) expenditures/expenses and other uses for unbudgeted accounts	6,902	16,590	(8,801)	58,167	17,668	(5,977)	53	908,695	–	119,040	1,112,337
GAAP financial statement excess of revenues, other resources, and other sources over (under) expenditures/expenses and other uses	$(173,100)	$67,056	$(11,205)	$67,366	$12,989	$11,471	$166	$908,695	$ –	$133,882	$1,017,320

NOTE 3: STATEMENT OF CASH FLOWS

For the fiscal year ended June 30, 1991, the State has adopted Statement 9 of the Governmental Accounting Standards Board (GASB), "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." Accordingly, the accompanying Combined Statement of Cash Flows--All Proprietary Fund Types and Nonexpendable Trust Fund replaces the Combined Statement of Changes in Financial Position--All Proprietary Fund Types and Similar Trust Funds presented by the State in past years. The Statement of Cash Flows details changes in Cash and Cash Equivalents during the year (see Note 1d for definition of Cash and Cash Equivalents). In accordance with GASB Statement 9, the State has elected to use the indirect method of reporting net cash flows from operating activities and has omitted Pension Trust Funds from its Statement of Cash Flows. It was not considered practical to present data for the fiscal year ended June 30, 1990, on the Statement of Cash Flows.

Notes to the Financial Statements

NOTE 4: ACCOUNTING AND REPORTING CHANGES

The State's reporting entity includes two public entity risk pools (PERPs): the Workers' Compensation Second Injury Fund (SIF) and the Patients' Compensation Fund (PCF). GASB Statement 10 prescribes accounting and financial reporting principles for PERPs and for entities other than pools. For the fiscal year ended June 30, 1991, the State has adopted those provisions of Statement 10 that apply to PERPs; it will adopt the Statement's other provisions at a later date. GASB Statement 10 requires that PERPs be reported as Enterprise Funds. In past years, however, the SIF was reported as an Expendable Trust Fund. In addition, application of GASB Statement 10 to the SIF resulted in the recording of claims liabilities of $146.3 million and revenue and assessments receivable of $129.0 million equal to the fund's premium deficiency. Application of GASB Statement 10 had no effect on account balances or fund classification of the PCF. The effect of applying GASB Statement 10 to the State's PERPs resulted in a decrease of $17.3 million in the beginning fund balance of the Expendable Trust Funds for the fiscal year ended June 30, 1991. There was no change in the beginning retained earnings of the Enterprise Funds because the SIF's fund balance after restatement was zero.

During the fiscal year ended June 30, 1991, the State also corrected certain prior-period errors associated with three of its component units. The following schedule details the restatements (expressed in thousands) made to fund equity as of June 30, 1990, to give retroactive effect to these corrections and the changes described in the preceding paragraph:

	Enterprise Funds Retained Earnings	Expendable Trust Funds	Higher Education Funds Investment in Plant Fund
June 30, 1990, fund equity as previously reported	$729,041	$583,996	$1,651,202
Effect of applying GASB Statement 10 to public entity risk pools	–	(17,337)	–
Education Assistance Authority Fund--correction of student loans receivable	(5,193)	–	–
Higher Education Investment in Plant Fund--corrections in value of buildings, South Carolina State College and Denmark Technical College	–	–	(9,678)
June 30, 1990, fund equity as restated	**$723,848**	**$566,659**	**$1,641,524**

NOTE 5: DEPOSITS AND INVESTMENTS

By law, all deposits and investments are under the control of the State Treasurer except for those which by specific authority are under the control of other component units, primarily the Public Service Authority.

The following display reconciles the details included within this footnote to the Combined Balance Sheet at June 30, 1991 (expressed in thousands):

Combined Balance Sheet	
Cash and cash equivalents	$ 1,917,194
Cash on deposit with fiscal agents	482,719
Investments	9,097,510
Deferred yield adjustment for security exchanges	87,061
Restricted assets:	
Cash and cash equivalents	292,131
Investments	256,027
Loans receivable--investment portion	446,627
Total	$12,579,269

Disclosure regarding deposits and investments plus reconciling items	
Carrying value of deposits	$ 728,013
Carrying value of investments	11,850,277
Cash on hand	979
Total	$12,579,269

a. Deposits

Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. At June 30, 1991, the carrying amount of the State's deposits was $728.0 million with corresponding bank balances of $860.6 million. Of the bank balance, $777.4 million was covered by Federal depository insurance or by collateral held by the State or by its agent in the State's name, $8.9 million was collateralized with securities held by the pledging financial institution's trust department or agent in the State's name, and $74.3 million was uncollateralized. All deposits under the control of the State Treasurer are fully insured or collateralized.

b. Investments

Legally authorized investments vary by fund, but generally include obligations of the United States and certain agencies of the United States, obligations of the State of South Carolina and certain of its political subdivisions, certificates of deposit, collateralized repurchase agreements, and certain corporate bonds.

For the fiscal year ended June 30, 1991, the State has classified its investments into two risk categories. Category A includes investments that were insured or registered or for which the securities were held by the State or its agent in the State's name and investments for which the State has safekeeping responsibilities but no

Notes to the Financial Statements

equity or ownership interest or control. Category B includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the State's name. The State's investments by risk category (expressed in thousands) at June 30, 1991, were:

	Category A	Category B	Carrying Value	Market Value
U.S. Government securities	$ 6,687,565	$ 6,360	$ 6,693,925	$ 7,151,843
Corporate bonds	2,538,292	3,553	2,541,845	2,572,675
Repurchase agreements	992,282	4,964	997,246	997,246
State institution and mortgage-backed securities	446,627	–	446,627	446,627
Other	195,734	448,831	644,565	646,966
Totals and subtotals	**$10,860,500**	**$463,708**	**11,324,208**	**11,815,357**
Securities loan program--U.S. Government securities			526,069	554,476
Totals			**$11,850,277**	**$12,369,833**

c. Securities Loan Program

Through a safekeeping agent, the State lends securities for a fee from its investment portfolio on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must meet or exceed 102% of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral. Securities loaned and securities taken as collateral are all book-entry securities which are substantially similar in type, rate, and maturity for each transaction. Under this program, the State may demand return within twenty-four hours of any security previously loaned. At June 30, 1991, the State had the following amounts of securities (expressed in thousands) on loan under this program:

Description	Carrying Value
Pooled accounts	$117,438
South Carolina Retirement System	348,390
Police Officers' Retirement System	44,632
Local Government Investment Pool	15,609
Total	$526,069

NOTE 6: TAXES RECEIVABLE

Taxes receivable (expressed in thousands) at June 30, 1991, were:

	General Fund	Special Revenue Funds	Trust and Agency Funds
Retail sales and use	$ 83,076	$23,329	$ –
Individual income	71,231	–	–
Corporate income	1,909	–	–
Unemployment	–	–	45,096
Gasoline and motor vehicle	2,328	31,294	–
Alcoholic beverages and tobacco	2,304	–	–
Other	8,399	1,359	–
Gross taxes receivable	169,247	55,982	45,096
Less: Allowance for uncollectible taxes	15,295	2,266	3,487
Net taxes receivable	**$153,952**	**$53,716**	**$41,609**

Approximately $190 million of net taxes receivable pertaining to the General Fund and Special Revenue Funds were current receivables as of June 30, 1991, and were collected within thirty days after that date.

Notes to the Financial Statements

NOTE 7: FIXED ASSETS

Property, plant, and equipment (expressed in thousands) at June 30, 1991, consisted of:

	Enterprise	Internal Service	General Fixed Assets	Higher Education
Land and improvements	$ 112,204	$ 4,791	$ 101,610	$ 79,685
Buildings, improvements, and utility plant	2,473,161	118,221	665,887	1,175,668
Machinery, equipment, and other	38,627	86,537	685,094	617,041
Construction in progress	152,917	4,541	84,431	138,824
Property, plant, and equipment before accumulated depreciation	2,776,909	214,090	1,537,022	2,011,218
Less: accumulated depreciation	736,649	79,275	–	–
Total property, plant, and equipment, net	$2,040,260	$134,815	$1,537,022	$2,011,218

Changes in general fixed assets (expressed in thousands) for the year ended June 30, 1991, were:

	Balance July 1, 1990	Additions	Retirements	Balance June 30, 1991
Land and improvements	$ 90,263	$ 11,351	$ 4	$ 101,610
Buildings, improvements, and utility plant	634,926	31,709	748	665,887
Machinery, equipment, and other	654,477	63,360	32,743	685,094
Construction in progress	56,114	62,299	33,982	84,431
Total General Fixed Assets	$1,435,780	$168,719	$67,477	$1,537,022

Construction in progress retirements are recorded as additions to other categories of assets.

Outstanding construction commitments at June 30, 1991, totaled $451.4 million.

NOTE 8: RETIREMENT PLANS

a. Plan Descriptions

The Retirement Division of the State Budget and Control Board maintains four defined benefit retirement systems: the South Carolina Retirement System (SCRS), the South Carolina Police Officers Retirement System (PORS), the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), and the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS). These systems publish their own Component Unit Financial Report. In addition, the State Adjutant General's Office administers the National Guard Pension System (NGPS), a defined benefit retirement system.

The systems provide retirement, death, and disability benefits to State employees; public school employees; employees of counties, municipalities, and certain other State political subdivisions; and National Guard members who served in South Carolina. Each system is independent. Assets may not be transferred from one system to another or used for any purpose other than to benefit each system's participants.

The number of participating employers, the average number of contributing members, and annual payroll amounts (dollars expressed in thousands) for each system for the year ended June 30, 1991, were:

	SCRS	PORS	GARS	JSRS	NGPS
Number of employers:					
State and schools	107	1	1	1	1
Other	429	218	–	–	–
Average number of contributing members:					
State employees	66,928	8,899	170	104	–
School employees	75,196	–	–	–	–
Other employees	34,742	8,541	–	–	–
Covered payroll:					
State	$1,549,023	$191,292	$2,380	$8,351	$ –
Schools	1,595,854	–	–	–	–
National Guard	–	–	–	–	45,639
Other	598,404	180,694	–	–	–
Total payroll (covered and noncovered):					
State	1,724,168	191,325	2,380	8,351	–
National Guard	–	–	–	–	45,639

Information regarding membership in the systems at July 1, 1990 (latest available data) was:

	SCRS	PORS	GARS	JSRS	NGPS
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	141,880	8,044	239	63	2,141
Fully vested active employees	99,068	7,009	44	74	2,185
Nonvested active employees	63,108	9,987	161	30	11,765
Total active employees	162,176	16,996	205	104	13,950
Total participants	304,056	25,040	444	167	16,091

b. Funding and Benefit Policies

Article X, Section 16 of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976 (as amended) prescribes requirements relating to membership, benefits, and employee/employer contributions for each system. The following paragraphs summarize those requirements.

Notes to the Financial Statements

SCRS is a cost-sharing multiple-employer pension system that benefits employees of public schools, the State, and its political subdivisions. Membership is required as a condition of employment. Both employers and employees must contribute. Benefits vest after five years of service. Vested members who retire at age sixty-five or with thirty years of service at any age receive an annual benefit, payable monthly for life. The benefit is based on length of service and on average final compensation, an annualized average of the employee's highest twelve consecutive quarters' compensation. The annual benefit amount is 1.82% of average final compensation times years of service. Reduced benefits are payable as early as age fifty-five.

PORS is a cost-sharing multiple-employer pension system that benefits police officers and fire fighters employed by the State or its political subdivisions. Membership is required as a condition of employment. Both employers and employees must contribute. Benefits vest after five years of service. Vested members who retire with twenty-five years of service receive an annual benefit, payable monthly for life. The benefit is based on length of service and on average final compensation, an annualized average of the employee's highest twelve consecutive quarters' compensation. The annual benefit amount is 2.14% of average final compensation times years of service.

GARS is a single-employer defined benefit pension system that benefits members of the South Carolina General Assembly. Membership is required as a condition of taking office as a member of the General Assembly. Both the members of the General Assembly and the State must contribute. Benefits vest after eight years of service. Vested members who retire at age sixty or at any age with thirty years of service receive an annual benefit, payable monthly for life. The annual benefit amount is 4.82% of earnable compensation times years of service. Earnable compensation is defined as forty days' pay at the rate currently paid to members of the General Assembly plus $3,600.

JSRS is a single-employer defined benefit pension system that benefits the judges of the State's Supreme Court, Court of Appeals, circuit courts, family courts, and the State's circuit solicitors. Membership is required as a condition of taking office as a judge in these courts. Both judges and the State must contribute. Members may retire at age seventy with fifteen years of service, at age sixty-five with twenty years of service, or at any age with twenty-five years of service. Members receive a retirement benefit equal to 71.3% of the current active salary of the position occupied at retirement.

NGPS is a single-employer defined benefit pension system that provides benefits to National Guard members who served in South Carolina. National Guard members are considered to be Federal government employees. The Federal government pays Guard members' drill pay and summer camp pay. In accordance with State law, the State's General Fund pays Guard members only if the Governor activates the National Guard for service to the State. The pension benefit that the State provides is intended only to supplement the retirement benefit that Guard members receive from the Federal government. Members who retire at age sixty with twenty years of military service, including at least fifteen years, ten of which immediately precede retirement, of South Carolina National Guard duty and who have received an honorable discharge, are entitled to monthly pension benefits. The pension amount is equal to $50 per month for twenty years of creditable service with an additional $5 per month for each additional year of service, provided that the total pension shall not exceed $100 per month. Members do not contribute to the system, and the State does not fund the system on an actuarial basis. Instead, the State pays benefits to retirees from currently available resources on a "pay-as-you-go" basis.

c. Funding Status and Progress

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits (adjusted for the effects of projected salary increases and step-rate benefits) estimated to be payable in the future as a result of employee service to date. The State discloses this measure to help users of these financial statements to: (1) assess the systems' funding status on a going-concern basis, (2) assess progress toward accumulating sufficient assets to pay benefits when due, and (3) compare various public employee retirement systems and employers. The measure is the actuarial present value of credited projected benefits. This method is independent of the funding methods the State's consulting actuary uses to determine contributions to the systems.

Significant actuarial assumptions used to compute the pension benefit obligation at July 1, 1990 (latest available data), were:

	SCRS	PORS	GARS	JSRS	NGPS
Annual interest rate (compounded annually)	8.0%	8.0%	8.0%	8.0%	8.0%
Inflation	5.0%	5.0%	5.0%	5.0%	*
Merit or seniority increases	1.5%	2.5%	1.0%	1.5%	*
Post-retirement benefit increases	4.0%	4.0%	0.0%	4.0%	*

*Not applicable.

The annual interest rate assumption for all plans is 8.0%. Salary scales for SCRS and PORS are graded based on age. The above figures are representative of those scales. Projected rates of separation due to withdrawal, death, service retirement, and disability are based on experience of the systems.

Notes to the Financial Statements

Neither SCRS nor PORS separately measures assets and pension benefit obligations for individual employers. The total unfunded pension benefit obligation for each system (expressed in thousands) at July 1, 1990 (latest available data), was:

	SCRS	PORS	GARS	JSRS	NGPS	Totals
Pension benefit obligation:						
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$3,739,900	$302,000	$14,200	$30,100	$11,984	$ 4,098,184
Current employees--						
Accumulated employee contributions including allocated investment earnings	1,697,800	122,400	3,300	5,800	–	1,829,300
Employer-financed vested	858,900	113,700	3,600	6,700	4,099	986,999
Employer-financed nonvested	3,200,100	270,800	5,100	11,700	2,695	3,490,395
Total pension benefit obligation	**9,496,700**	**808,900**	**26,200**	**54,300**	**18,778**	**10,404,878**
Net assets available for benefits, at cost	6,813,700	666,700	21,200	31,900	–	7,533,500
Unfunded pension benefit obligation	**$2,683,000**	**$142,200**	**$ 5,000**	**$22,400**	**$18,778**	**$ 2,871,378**
Net assets available for benefits, at market	**$7,120,300**	**$690,600**	**$22,100**	**$33,400**	**$ –**	**$ 7,866,400**

d. Contributions Required and Contributions Made

For the fiscal year ended June 30, 1991, the State's consulting actuary determined required employer contributions for all five systems. The systems use the projected benefit method with entry age normal cost and open-end unfunded accrued liability for this purpose. The actuary determines the actuarial present value of total benefits and allocates pension cost to each year as a level percentage of salary. In determining funding requirements, the actuary uses the same actuarial assumptions as those used to calculate the pension benefit obligation, with the following exceptions: (1) Post-retirement benefit increases were projected only for retired members and members eligible to retire under SCRS and PORS. (2) Net assets attributable to the SCRS and PORS group life insurance and the PORS accidental death programs were excluded. At July 1, 1990 (latest available data), the unfunded accrued liability liquidation periods in years were:

SCRS	PORS	GARS	JSRS	NGPS
27	10	16	30	20

The recommended employer contributions, as percentages of compensation, for the fiscal year ended June 30, 1991, were:

	Normal Cost	Unfunded Accrued Liability	Accidental Death Program	Group Life Insurance Program	Total
SCRS--State and schools	3.81%	3.74%	–	0.15%	7.70%
SCRS--other	3.81%	2.89%	–	0.15%	6.85%
PORS	7.35%	2.95%	0.20%	0.20%	10.70%
JSRS	22.72%	17.12%	–	1.09%	40.93%

The State's contribution requirements represented 42% of contributions required of all employers participating in SCRS and 51% of contributions required of all employers participating in PORS.

For GARS and NGPS, the State's recommended contribution (expressed in thousands) for the fiscal year ended June 30, 1991, was:

	GARS	NGPS
Normal cost	$ 637	$ 330
Unfunded accrued liability	384	1,986
Group life insurance	5	–
Total	**$1,026**	**$2,316**

Notes to the Financial Statements

Employees do not contribute to NGPS. By law, employee contribution requirements for the other systems for the fiscal year ended June 30, 1991, were:

SCRS	6% of salary
PORS	6.5% of salary
GARS	10% of earnable compensation
JSRS	7% of salary

Actual contributions (expressed in thousands) for the fiscal year ended June 30, 1991, were:

	Employer Contributions	Percent of Covered Payroll	Employee Contributions	Percent of Covered Payroll
SCRS--State	$122,206	7.9%	$ 96,658	6.2%
SCRS--schools	123,256	7.7%	99,623	6.2%
SCRS--other	41,337	6.9%	36,871	6.2%
PORS--State	20,618	10.8%	12,759	6.7%
PORS--other	22,582	12.5%	13,876	7.7%
GARS	1,026	43.1%	314	13.2%
JSRS	3,418	40.9%	590	7.1%
NGPS	905	2.0%	–	–
Totals	$335,348		$260,691	

The actuarially determined contribution requirement for the NGPS was $2.316 million whereas actual contributions were $0.905 million. As a result, the State has recorded a liability of $1.412 million in the General Long-Term Obligation Account Group.

e. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. The South Carolina Retirement Systems' Component Unit Financial Report for the fiscal year ended June 30, 1991, presents ten-year historical trend information for all systems except NGPS. For NGPS, this information is presented at the end of the Financial Section of this report. An analysis of funding progress for the three latest available years is:

	SCRS	PORS	GARS	JSRS	NGPS
Net assets available for benefits as a percentage of the pension benefit obligation					
July 1, 1990	71.7%	82.4%	81.0%	58.7%	0.0%
July 1, 1989	70.2%	81.2%	80.9%	56.9%	0.0%
July 1, 1988	73.4%	87.9%	79.2%	46.3%	0.0%
Unfunded pension benefit obligation as a percentage of annual covered payroll					
July 1, 1990	77.0%	40.0%	178.9%	280.0%	41.1%
July 1, 1989	78.0%	42.1%	167.0%	278.0%	–
July 1, 1988	65.0%	24.4%	162.0%	368.0%	–
State employer contributions as a percentage of annual covered payroll					
June 30, 1991	7.7%	11.6%	43.1%	40.9%	2.0%
June 30, 1990	7.7%	16.8%	50.9%	40.9%	–
June 30, 1989	7.1%	10.9%	52.3%	40.9%	–

For the years shown above and for all systems except the NGPS, the State's contributions to the systems met the actuarially determined requirements. Employer contributions for NGPS are equal to benefits paid during the year. The NGPS operates on a "pay-as-you-go" basis and does not meet the actuarially determined requirements.

f. Supplemental Benefits Funded by General Fund

The State General Assembly has directed the General Fund to pay supplemental (cost-of-living) increases to retirees and fully funds the required amount annually on a "pay-as-you-go" basis. During the fiscal year ended June 30, 1991, the State's General Fund transferred $2.2 million to the South Carolina Retirement System and the Police Officers' Retirement System for retiree supplemental benefits.

NOTE 9: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

In accordance with the South Carolina Code of Laws and the annual Appropriation Act, the State provides post-employment health and dental benefits to its employees who retire with 30 years of service or at age 60 with at least 20 years of service and to certain surviving dependents of retirees. Currently, approximately 14,200 retirees meet these eligibility requirements.

Eligible retirees choose between two health insurance plans underwritten by the State, the Economy Plan and the Standard Plan. In accordance with contractual provisions of the plans, participants must meet specified annual deductible requirements. Thereafter, the Standard Plan pays 85 percent of allowable claims, and the Economy Plan pays 80 percent of allowable claims. The State pays 100% of allowable claims, however, after the participant has paid the annual out-of-pocket limit prescribed by each plan. Both plans disallow claims in excess of specified annual and lifetime maximums. In addition, State health benefits are reduced if the participant receives or qualifies to receive Medicare benefits.

The State also underwrites a dental care plan. Contractual provisions of the plan specify deductible requirements as well as annual and lifetime maximums.

Both health plans and the dental plan are financed on a pay-as-you-go basis. During the fiscal year ended June 30, 1991, the State recognized expenses (net of participant contributions) of $18.0 million to provide health and dental benefits to State participants in post-employment status.

Notes to the Financial Statements

NOTE 10: DEFERRED COMPENSATION PLANS

Several optional deferred compensation plans are available to State employees and employees of its political subdivisions. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b), are accounted for as Agency Funds. Employees may withdraw the current value of their contributions when they terminate employment. With approval of the State's Deferred Compensation Commission, employees may also withdraw the current value of their contributions prior to termination of employment if they meet certain requirements. These requirements differ among the three plans. Compensation deferred under the Section 401(k) and 403(b) plans is placed in trust for the contributing employees. The State has no liability for losses under the plans.

Under the Section 457 plan, all deferred compensation, all property or rights of property purchased with amounts deferred, and any income earned on property purchased remain assets of the employers subject to the claims of the employers' general creditors, one of whom is the employee participant. It is unlikely, however, that the State would ever use plan assets to satisfy claims of the State's general creditors. State law limits the State's financial liability to participants. The State, however, does have the duty of due care that would be required of an ordinary prudent investor. Of the $358.5 million assets at fair value in the Section 457 plan at December 31, 1990, $193.5 million was applicable to the State while the remaining $165.0 million represented assets of other participating jurisdictions.

NOTE 11: LEASES AND INSTALLMENT PURCHASES

a. Lease and Installment Purchase Commitments

The State leases land, office facilities, equipment, and other assets under both capital and operating leases. In addition, the State purchases some assets on the installment plan. The present value of future minimum capital lease and installment purchase payments and minimum annual lease payments for operating leases, capital leases, and installment purchases (expressed in thousands) follow:

	Capital Leases and Installment Purchases				
Fiscal Year Ending June 30	Enterprise Funds	Internal Service Funds	Long-Term Obligations Account Group	Higher Education Funds	Operating Leases
1992	$ 5,814	$10,845	$2,265	$ 3,365	$20,343
1993	5,714	10,738	1,389	2,818	15,384
1994	5,517	7,290	1,256	2,502	12,552
1995	5,377	4,464	423	1,479	9,099
1996	5,297	4,481	90	880	7,574
1997 and after	62,204	48,732	–	16,148	10,553
Total minimum payments	89,923	86,550	5,423	27,192	$75,505
Less: interest and executory costs	26,573	32,512	1,473	10,310	
Present value of net minimum payments	$63,350	$54,038	$3,950	$16,882	

Operating lease payments during the fiscal year ended June 30, 1991, totaled $43.0 million.

b. Facilities Leased to Others

Non-State parties lease certain land and facilities from the South Carolina Ports Authority (Ports Authority), an Enterprise Fund, under operating leases. At June 30, 1991, the Ports Authority had leased to others land and facilities costing approximately $133.1 million with $48.1 million of related accumulated depreciation. Future minimum payments and rent receipts at June 30, 1991, under these operating leases (expressed in thousands) were:

Fiscal Year Ended June 30	Amount
1992	$ 8,692
1993	7,166
1994	4,963
1995	4,306
1996	1,077
1997 and after	2,956
Total	$29,160

Notes to the Financial Statements

NOTE 12: BONDS AND NOTES PAYABLE

a. General Obligation Bonds and Notes

General obligation bonds and notes are backed by the full faith, credit, and taxing power of the State. General obligation bonds and notes (expressed in thousands) outstanding at June 30, 1991, were:

	Bonds	Notes
General Long-Term Obligations Account Group		
Capital improvement bonds, 3.50% to 11.00%	$768,740	$ –
General obligation note payable, 6.05%	–	31,350
Totals--General Long-Term Obligations Account Group	768,740	31,350
Higher Education Funds		
State institution bonds and notes, 4.00% to 8.20%	27,360	1,200
Totals--general obligation bonds and notes payable	$796,100	$32,550

At June 30, 1991, $122 million of capital improvement bonds were authorized but unissued.

The State must pay the debt service on a portion of the bonds and notes outstanding from specific pledged revenues, which revenues are deemed sufficient to pay both principal and interest on the bonds. The following schedule shows this portion of principal (expressed in thousands) outstanding at June 30, 1991:

Type of Bond	Type of Revenue Pledged	Principal Secured by Pledged Revenue
Capital improvement	State income tax	$18,000
State institution	Tuition	1,050
Total		$19,050

Unspecified General Fund revenues secure all other general obligation bonds and notes outstanding.

At June 30, 1991, future debt service requirements (expressed in thousands) for general obligation bonds and notes were:

Year Ending June 30	Principal	Interest	Totals
1992	$ 96,620	$ 55,295	$ 151,915
1993	68,810	48,238	117,048
1994	72,510	43,483	115,993
1995	72,075	38,714	110,789
1996	70,970	34,006	104,976
1997 and after	447,665	133,529	581,194
Totals	$828,650	$353,265	$1,181,915

The General Fund pays all debt service for general obligation bonds and notes recorded in the General Long-Term Obligations Account Group. The Higher Education Plant Funds (Retirement of Indebtedness) pay the debt service for general obligation bonds and notes recorded in the Higher Education Funds.

The State's legal debt margin at June 30, 1991, was $150.0 million for highway bonds and $31.4 million for institution bonds.

Rather than directly limiting the amount of outstanding debt, State law imposes a limitation on annual debt service expenditures. The legal annual debt service margin at June 30, 1991, for other general obligation bonds/notes, excluding tax and bond anticipation notes, was $50.1 million.

b. Revenue Bonds and Notes

Revenue bonds and notes are not backed by the full faith, credit, and taxing power of the State. Revenue bonds and notes outstanding (expressed in thousands) at June 30, 1991, were:

	Bonds	Notes
Enterprise Funds		
Public Service Authority priority obligations, 2.70% to 4.10%	$ 52,095	$ –
Public Service Authority electric system expansion revenue bonds, 4.80% to 11.75%	1,740,978	–
Public Service Authority electric revenue bonds, 7.70% to 8.70%	123,331	–
Housing Authority bonds, 5.25% to 13.25%	696,033	–
Education Assistance Authority bonds, 5.30% to 12.00%	202,985	–
Ports Authority bonds, 3.50% to 10.88%	24,720	–
Patriots' Point Development Authority bonds, 8.95%	21,000	–
Research Authority notes, 11.14%	–	6,915
Other Enterprise notes, 8.00% to 9.00%	–	230
Totals--Enterprise Funds	2,861,142	7,145
Higher Education Funds		
Various bonds and notes, 3.00% to 10.50%	188,534	20,558
Totals--revenue bonds and notes payable	$3,049,676	$27,703

The State has recorded its revenue bonds payable net of $35.234 million in unamortized premiums/discounts.

Certain revenue bonds require the individual enterprises to provide sufficient revenue to pay debt service and to fund all necessary expenses to run the enterprises.

At June 30, 1991, there was no revenue debt authorized but unissued.

At June 30, 1991, the State also owed the United States government $10.136 million for construction of the Trotters Shoals Lake Project. This obligation is included in Other Liabilities in the General Long-Term Obligations Account Group. During the fiscal year ended June 30, 1991, retirements on this debt totaled $16 thousand.

Notes to the Financial Statements

The funds that receive the proceeds of bonds and notes have pledged revenues for payment of debt service as follows:

Enterprise Funds
- Public Service Authority obligations: Public Service Authority Fund revenues
- State Housing Authority bonds: State Housing Authority Fund revenues
- Education Assistance Authority bonds: loan repayments and U.S. Commissioner of Education funds (State Education Assistance Authority and Student Loan Corporation Fund)
- State Ports Authority bonds: State Ports Authority Fund revenues
- Patriots' Point Development Authority bonds: operating revenues of the Patriots' Point Development Authority Fund

Higher Education Funds
- Various higher education bonds/notes: various specific higher education revenues

At June 30, 1991, future debt service requirements (expressed in thousands) for revenue bonds and notes were:

Fiscal Year Ending June 30	Principal	Interest	Totals
1992	$ 108,213	$ 219,189	$ 327,402
1993	87,636	212,124	299,760
1994	92,166	206,066	298,232
1995	94,987	199,215	294,202
1996	94,570	192,205	286,775
1997 and after	2,635,041	2,768,640	5,403,681
Totals	$3,112,613	$3,797,439	$6,910,052

c. Defeased Bonds

During July 1990, the Medical University of South Carolina, an institution reported in the Higher Education Funds, issued $39.125 million in Hospital Facilities Revenue Bonds with an average interest rate of 7.00% to advance refund $35.690 million of outstanding Hospital Facilities Revenue Bonds with an average interest rate of 8.70%. The net proceeds of $38.430 million (after payment of $0.695 million in issuance costs) plus an additional $0.585 million in excess debt service funds were used to purchase United States government securities. The University advance refunded these bonds to reduce its total debt service payments over the next fourteen years by approximately $2.10 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1.46 million.

During April 1991, Clemson University, an institution reported in the Higher Education Funds, issued $9.925 million in Plant Improvement Revenue Bonds with an average interest rate of 6.00%. Of the $9.925 million, $3.265 million was to advance refund $3.00 million in Plant Improvement Revenue Bonds with an average interest rate of 7.60%, and $6.660 million was to provide for new construction. The net proceeds of $3.202 million applicable to the advance refunding (after payment of $0.063 million in issuance costs) was used to purchase United States government securities. The University engaged in advance refunding to remove itself from certain restrictive covenants associated with the refunded bonds. As a result of the refunding, the University's total debt service payments over the next twenty years will increase by approximately $1.38 million, and the University will obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $0.35 million.

In addition, during the current and prior years the State defeased certain general obligation and other bonds. For those defeasances involving advance refundings, the proceeds of the new bonds were placed in irrevocable trusts to provide for all future debt service payments on the old bonds. At June 30, 1991, the following outstanding bonds (expressed in thousands) are considered defeased:

	Enterprise Funds	General Long-Term Obligations Account Group	Higher Education Funds
Capital improvement bonds	$ –	$115,000	$ –
Public Service Authority bonds	1,355,295	–	–
Other	–	–	94,965
Totals	$1,355,295	$115,000	$94,965

Since adequate funds have been placed with a trustee to pay fully the principal and interest of these bonds, the liabilities are not recorded in these financial statements.

d. No-Commitment Debt

State law authorizes issuance of certain bonds for which the State assumes no responsibility for repayment. These bonds, therefore, do not appear as liabilities in the accompanying financial statements. These bonds provide low-cost capital financing for construction of private facilities deemed to be in the public interest. The State's no-commitment debt includes industrial development bonds, pollution control bonds, airport bonds, educational facilities bonds, certain State Housing Finance and Development Authority Multi-Family Bonds issued since 1985, bonds of the South Carolina Resources Authority, and debt issued by certain other State component units.

e. Commercial Paper Notes

The $120 million of Commercial Paper Notes in the Enterprise Funds was issued by the Public Service Authority. The Authority has a $150 million revolving credit agreement to support the issuance of commercial paper.

Notes to the Financial Statements

f. Patriots' Point Development Authority Bonds

Patriots' Point Development Authority (Patriots' Point), is in default on $21.0 million of revenue bonds secured by the revenue of a planned hotel and marina complex. Additionally, construction in progress includes $16.316 million of costs incurred for the construction of the hotel and marina. Construction has been halted and the developer is in bankruptcy. These financial statements do not reflect the effects, if any, on the carrying amount of the revenue bonds and construction in progress that may result from actions of the bankruptcy court in accepting a plan of reorganization.

In March 1990, a law was enacted to amend the Authority's charter. Under this law, the Authority may no longer issue revenue bonds, but may issue negotiable notes. Upon the court's resolution of all issues surrounding the development of the hotel and marina to the satisfaction of the State's management, further provisions of the new law would take effect. One such provision would allow the Authority to receive an interest-free, three-year interfund loan for up to $6 million for the purpose of participating in a court-approved settlement.

The Authority is a co-defendant in several lawsuits. The plaintiffs include holders of the Authority's bonds and contractors associated with the suspended construction project. In April 1991, the Authority and the plaintiffs entered into a settlement agreement. Certain issues related to the settlement remain unresolved but will be addressed in a hearing expected to occur in late December 1991 or early January 1992. Management of the Authority believes that all issues will be resolved and that the plaintiffs will approve the final settlement.

g. Issues Subsequent to June 30, 1991

Since July 1, 1991, the State has issued approximately $527 million of bonds and notes. The State also plans to issue bonds and notes totaling approximately $409 million in December 1991 or January 1992. In addition, a foundation reported as part of the Medical University of South Carolina plans to issue approximately $18 million of certificates of participation in connection with the acquisition of an office tower and parking garage.

NOTE 13: CHANGES IN GENERAL LONG-TERM OBLIGATIONS

Changes in general long-term obligations (expressed in thousands) for the year ended June 30, 1991, were:

	Balances July 1, 1990	Increases	Decreases	Other	Balances June 30, 1991
Notes payable	$ 31,350	$ –	$ –	$ –	$ 31,350
General obligation bonds	748,490	85,000	(64,750)	–	768,740
Capital leases	5,512	963	(1,949)	(576)	3,950
Compensated absences	104,460	63,494	(54,291)	–	113,663
Claims and judgments	14,567	9,842	(6,189)	(626)	17,594
Other long-term obligations	17,401	1,412	(5,616)	–	13,197
Totals	$921,780	$160,711	$(132,795)	$(1,202)	$948,494

Capital leases totaling $0.576 million at June 30, 1990, were renegotiated during the fiscal year ended June 30, 1991. The extinguished leases are included in the Other column above, while the new leases are included in the Increases column. In addition, claims liabilities associated with the Second Injury Fund, a public entity risk pool, were removed from the General Long-Term Obligations Account Group because that Fund was reclassified to an Enterprise Fund. This decrease in liabilities, totaling $0.626 million, is shown above in the Other column.

Notes to the Financial Statements

NOTE 14: INTERFUND BALANCES

a. Interfund Assets and Liabilities

Interfund assets and liabilities (expressed in thousands) for each individual fund at June 30, 1991, were:

Fund Type/Fund	Due From	Due To	Interfund Receivables	Interfund Payables	Advances To	Advances From
General						
General Fund	$ 15,140	$ 45,937	$ 9,542	$ 1,606	$ 16,613	$ 7,945
Less: eliminations	(15,035)	(15,035)	–	–	–	–
Adjusted General Fund	**105**	**30,902**	**9,542**	**1,606**	**16,613**	**7,945**
Special Revenue						
Departmental General Operating Fund	9,260	14,787	2,051	7,545	–	4,945
Education Improvement Act Fund	996	417	–	1	–	2
Repair, Maintenance, and Renovation Fund	515	207	–	1,388	–	–
Hazardous Waste Contingency Fund	943	58	–	–	–	–
Highway Department Special Revenue Fund	31,977	16,237	–	–	1,088	–
Water Recreation Resources Fund	96	6	–	–	–	–
Employment Security Assessment Fund	–	202	–	–	–	–
Accommodations Tax Fund	170	8	–	–	–	–
Energy Settlement Fund	–	627	–	–	–	–
Omnibus Crime Fund	75	362	25	1	–	1
Medicaid Expansion Fund	–	129	–	–	–	–
Other Special Revenue Funds	382	63	645	–	573	–
Less: eliminations	(14,092)	(14,092)	(1,095)	(1,095)	–	–
Adjusted Special Revenue Funds	**30,322**	**19,011**	**1,626**	**7,840**	**1,661**	**4,948**
Capital Projects						
Capital Projects Fund	15,191	1,188	–	9	–	1,088
Less: eliminations	(204)	(204)	–	–	–	–
Adjusted Capital Projects Fund	**14,987**	**984**	**–**	**9**	**–**	**1,088**
Enterprise						
Housing Authority	–	21	–	–	–	–
Patriots' Point Development Authority	–	21	–	210	–	–
Canteens Fund	–	144	–	–	–	–
Second Injury Fund	–	174	–	–	–	–
Other Enterprise Funds	412	29	–	–	–	–
Less: eliminations	(5)	(5)	–	–	–	–
Adjusted Enterprise Funds	**407**	**384**	**–**	**210**	**–**	**–**
Internal Service						
Insurance Reserve Fund	447	1,104	2,882	–	31,830	–
Health and Disability Insurance Fund	8,232	56	–	–	–	–
Workers' Compensation Fund	6,209	64	–	4	–	4
State Employee Unemployment Compensation Fund	2	973	–	–	–	–
General Services Fund	1,119	825	2,329	4,288	22,137	42,008
Central Supplies and Equipment Fund	1,020	12	–	500	–	–
Information Resources Management Fund	3,017	172	615	744	872	11,978
Motor Pool Fund	846	203	–	45	–	214
Pension Administration Fund	–	78	–	–	–	–
Prison Industries Fund	281	103	–	–	–	–
Other Internal Service Funds	43	40	–	–	–	–
Less: eliminations	(3,630)	(3,630)	(3,629)	(3,629)	(40,301)	(40,301)
Adjusted Internal Service Funds	**17,586**	**–**	**2,197**	**1,952**	**14,538**	**13,903**
Trust and Agency						
Expendable Trust:						
Unemployment Compensation Benefits Fund	151	–	–	1,051	–	–
Other Expendable Trust Funds	2	34	–	–	–	–
Nonexpendable Trust	–	12	15	–	–	–
Pension Trust:						
South Carolina Retirement System	7,234	7,936	–	–	–	–
Police Officers' Retirement System	528	247	–	–	–	–
Agency Funds:						
Federal Interfund Activity Fund	2,703	4,072	–	–	–	–
Payroll Clearing Fund	31,810	2	–	55	–	–
Other Agency Funds	124	47,588	210	–	–	–
Less: eliminations	(24,668)	(24,668)	–	–	–	–
Adjusted Trust and Agency Funds	**17,884**	**35,223**	**225**	**1,106**	**–**	**–**

Notes to the Financial Statements

Fund Type/Fund	Due From	Due To	Interfund Receivables	Interfund Payables	Advances To	Advances From
Higher Education						
Unrestricted Current Funds	$26,574	$ 8,921	$ -	$ -	$ -	$ -
Restricted Current Funds	2,516	12,635	-	-	-	-
Loan Funds	30	160	-	-	-	-
Endowment and Similar Funds	13	74	-	-	-	-
Unexpended Plant Funds	4,771	2,248	-	-	-	-
Renewal and Replacements Funds	22	-	-	-	-	-
Retirement of Indebtedness Funds	846	5,239	-	-	-	-
Investment in Plant Funds	-	-	-	867	-	4,928
Agency Funds	6	288	-	-	-	-
Less: eliminations	(22,473)	(22,473)	-	-	-	-
Adjusted Higher Education Funds	12,305	7,092	-	867	-	4,928
Totals--all funds	$93,596	$93,596	$13,590	$13,590	$32,812	$32,812

b. Inequality of Operating Transfers In and Out

Operating Transfers In exceed Operating Transfers Out by $7 thousand because the Public Service Authority, a component unit, reports using a December 31 fiscal year-end. The $7 thousand difference represents Operating Transfers In for the General Fund for the fiscal year ended June 30, 1991, less Operating Transfers Out for the Public Service Authority for its fiscal year ended December 31, 1990.

c. Residual Equity Transfers Out

Residual Equity Transfers Out of $0.406 million in the Capital Projects Fund were recorded as additions to Contributed Capital in the Internal Service Funds. These balances resulted from transfers of capital improvement bond proceeds to the Internal Service Funds from the Capital Projects Fund.

NOTE 15: RESERVATIONS AND DESIGNATIONS OF FUND EQUITY

Reservations represent legally segregated fund equity and amounts that cannot be appropriated for future expenditure. Designations of unreserved fund equity reflect tentative plans for future use of available financial resources.

a. Retained Earnings Reserved for Special Purposes

Retained Earnings Reserved for Special Purposes in the Enterprise Funds primarily consist of balances reserved as required by bond indentures of the Housing Authority and the Education Assistance Authority.

b. Reserve for Pensions and Other Benefits

This account includes amounts reserved for pension, group life, and accidental death benefits. It also includes reserves to recognize the restricted nature of the fund balances in the Unemployment Compensation Fund and the Workers' Compensation Second Injury Fund.

c. Reserves in the Higher Education Funds

Outside sources may restrict certain Higher Education Funds' resources. The financial statements present restricted fund balances as reserves. These reserves include reserves for endowments and other higher education restricted funds to be used for special purposes.

Grant monies received from the United States government under certain student loan programs are recorded as Reserved for U.S. Government Grants Refundable. The purpose of this reserve is to indicate that these amounts can neither be appropriated nor expended and to reflect the State's ongoing responsibility to lend the resources only in accordance with applicable Federal program guidelines.

d. General Fund Reserve

The South Carolina Constitution requires that the State maintain a reserve to prevent deficits in the Budgetary General Fund. The reserve is fully funded whenever it equals three percent of the Budgetary General Fund's revenue (budgetary basis) of the latest completed fiscal year.

If the State withdraws funds from the reserve to cover a year-end deficit, it must replace the funds within three years. The Constitution requires that at least one percent of the Budgetary General Fund revenue (budgetary basis) of the latest completed fiscal year, if so much is necessary, be restored each year following the deficit until full funding is achieved.

At the end of the current fiscal year, the State withdrew $60.7 million from the reserve to cover a year-end negative unreserved fund balance on the budgetary basis. This brought the reserve's balance at June 30, 1991, to $33.4 million or $65.4 million less than full funding of $98.8 million.

e. Reserve for Inventories

The Governmental Funds reserve a portion of fund balance equal to year-end inventory balances to indicate that the funds are not available for appropriation.

Notes to the Financial Statements

f. Reserves for Loans, Notes Receivable, and Advances to Other Funds

Long-Term Loans, Notes Receivable, and Advances to Other Funds are assets that do not represent expendable available resources. The Governmental Funds, therefore, reserve a corresponding portion of fund balance.

g. Reserve for Appropriations to be Carried Forward

The General Fund does not use encumbrance accounting. The Reserve for Appropriations to be Carried Forward, however, is used in situations where the General Assembly has authorized Budgetary General Fund appropriations to be carried forward to the next fiscal year.

h. Reserve for Endowment and Similar Funds

This reserve recognizes restrictions placed on donated resources. In the Fiduciary Fund Types, the reserve represents amounts donated to State-owned secondary schools and to certain other State departments.

i. Reserve for School Building Aid

Amounts in the General Fund and in the Education Improvement Act Fund, a Special Revenue Fund, are reserved if committed to State school districts to build school buildings or to retire debt on such buildings. Such amounts are not available for appropriation.

j. Reserve for Encumbrances

Although not required by State law, some component units reported in the Higher Education Funds use encumbrance accounting. These component units record a reserve for encumbrances.

k. Reserve for Other Special Purposes--Special Revenue Funds

The Reserve for Other Special Purposes within the Special Revenue Funds primarily consists of prepaid expenses of the Department of Highways and Public Transportation.

l. Designation for Special Purposes

Amounts Designated for Special Purposes in the Special Revenue Funds consist generally of Department of Highways and Public Transportation resources which are designated for subsequent years' expenditures, primarily for highway maintenance.

m. Designated for Capital Expenditures

The State reports the fund balance in the Capital Projects Fund as Designated for Capital Expenditures.

n. Designation for Quasi-Endowments

The Designation for Quasi-Endowments includes resources that the State's higher education institutions intend to use in a manner similar to endowments in future years.

NOTE 16: RELATED ORGANIZATIONS

a. Current-Year Data

These financial statements exclude certain related foundations and other organizations. (See also Note 1a, Scope of Reporting Entity.)

The most significant of these organizations include: the Carolina Research and Development Foundation; the University of South Carolina Educational Foundation; the University of South Carolina Business Partnership Foundation; the Coastal Educational Foundation, Inc., of the University of South Carolina; Richland Memorial Hospital/University of South Carolina Educational Foundation; the Carolina Auxiliary Services; the University of South Carolina School of Medicine Educational Trust; the Carolina Piedmont Foundation, Inc.; the Clinical Faculty Practice Plan of the University of South Carolina; the Clemson University Foundation; the Clemson University Research Foundation; the Clinical Professional Staff of the Medical University of South Carolina; the Health Sciences Foundation of the Medical University of South Carolina; the Educational Television Endowment of South Carolina; the College of Charleston Foundation; the Lander Foundation; the Winthrop College Foundation; the Alumni Association of Winthrop College; the Francis Marion College Foundation; the Citadel Development Foundation; the Association of Citadel Men; the Citadel's Brigadier Club; and the Friends of the State Museum.

Those organizations above that are related to higher education report total assets of approximately $198 million. During the fiscal year ended June 30, 1991, the State entered into various transactions with these organizations. Approximate amounts within the State's Higher Education Funds that represented transactions with these organizations include: receivable from foundations--$4.7 million; donations of cash and other assets from foundations--$21.6 million; expenditures (rental of foundation-owned property)--$1.5 million; and reimbursements to the State for expenses/expenditures the State incurred on behalf of foundations--$10.7 million.

During the fiscal year ended June 30, 1991, the Educational Television Endowment of South Carolina disbursed approximately $7.5 million on behalf of the State for programs, development, advertising, and other costs.

Notes to the Financial Statements

b. Subsequent Event

Subsequent to June 30, 1991, The Citadel, a State institution of higher education, expects to transfer approximately $19.3 million in non-State funds and property to the Citadel Trust, Incorporated, a newly established non-profit corporation, to provide scholarships and other financial assistance and support to the college.

NOTE 17: SEGMENT INFORMATION--ENTERPRISE FUNDS

The State groups its Enterprise Funds into several segments which are included in the following table. The Public Service Authority produces and sells electric power. The State Housing Finance and Development Authority (Housing Authority) provides low-cost housing to the State's citizens by issuing bonds/notes and by administering Federal contracts and grants. The Ports Authority develops and maintains State harbors and seaports and handles the commerce through these ports. The Second Injury Fund is a public entity risk pool that assesses insurance carriers, self-insurers, and the Workers' Compensation Fund. These assessments are used to pay claims of employees with existing permanent physical impairment who are further injured in the course of their subsequent employment. The Education Assistance Authority (including both the State Education Assistance Authority and the South Carolina Student Loan Corporation) makes loans to eligible students. The Research Authority develops/markets a system of research parks and develops/manages several research and development contracts. The Other segment includes the Patients' Compensation Fund, the Public Railways Commission, the Patriots' Point Development Authority, the Canteens Fund, and Other Enterprise Funds.

Segment financial information (expressed in thousands) for the fiscal year ended June 30, 1991, follows:

	Public Service Authority	Housing Authority	Ports Authority	Second Injury	Education Assistance Authority	Research Authority	Other	Eliminations	Totals
Operating revenues	$ 553,980	$ 73,984	$ 46,554	$ 60,819	$ 14,116	$25,482	$ 25,478	$ -	$ 800,413
Depreciation and amortization expense	77,495	98	11,236	9	87	1,081	654	-	90,660
Operating income (loss)	167,800	9,300	5,577	-	(3,500)	1,507	8,445	-	189,129
Federal revenue	-	12,881	-	-	9,440	-	27	-	22,348
Operating transfers:									
In	-	481	-	-	4,600	-	90	(474)	4,697
Out	(5,629)	(474)	-	-	-	-	-	474	(5,629)
Net income	34,372	9,317	8,129	-	7,337	869	7,342	-	67,366
Property, plant, and equipment:									
Additions	92,473	86	23,513	21	106	1,168	780	-	118,147
Retirements	11,781	16	625	20	13	169	62	-	12,686
Net working capital	(53,564)	(38,838)	11,384	20,334	15,103	4,695	26,333	-	(14,553)
Total assets	2,804,597	823,754	261,002	177,822	256,884	27,715	104,067	(5)	4,455,836
Bonds and other long-term liabilities payable from operating revenues	2,009,226	682,746	24,231	171,400	181,665	7,436	17,242	-	3,093,946
Total fund equity	565,307	94,577	220,427	-	49,025	14,736	43,263	-	987,335

Notes to the Financial Statements

The Public Service Authority's sale of electric power to two major customers constitutes a concentration of credit risk for the State's Enterprise Funds. Revenue and accounts receivable (expressed in thousands) attributable to those customers for the Authority's fiscal year ended December 31, 1990, were:

Customer	Revenue	Accounts Receivable
Central Electric Power Cooperative, Inc.	$225,000	$19,669
Alumax of South Carolina, Inc.	84,000	6,084

NOTE 18: DEFICIT FUND BALANCES AND RETAINED EARNINGS

Individual funds with deficit fund balances or deficit retained earnings (expressed in thousands) at June 30, 1991, were:

Fund Type/Fund	Amount of Deficit
General Fund	$153,494
Enterprise Funds	
Patriots' Point Development Authority	7,115
Internal Service Funds	
Workers' Compensation Fund	7,077
General Services Fund	10,552
Highway Department Internal Service Fund	49
Pension Administration Fund	21

The State's General Fund is in a deficit position at June 30, 1991, primarily as a result of the economic recession. Tax revenues did not meet expectations. Beginning in February 1991, stringent measures were enacted to reduce spending. These measures, however, were unable to completely counteract the revenue shortfall. The same economic forces that reduced revenues during the fiscal year ended June 30, 1991, are expected to continue in effect through much of the fiscal year ending June 30, 1992. State officials are carefully monitoring the situation and will take such action as deemed appropriate and necessary.

The Patriots' Point Development Authority has negative retained earnings because of a development project halted before completion. Bonds issued to finance the project are in default, and the developer is in bankruptcy. The Authority has charged unamortized debt issuance costs to expense and is accruing interest which it has no resources to pay. Because the project is not producing revenue, a deficit will accumulate until the matter is settled in bankruptcy court.

The Workers' Compensation Fund, a risk management fund, had deficit retained earnings because the State recorded liabilities on the accrual basis both for claims known but not paid and for claims incurred but not reported in this fund. The deficit arose because the State funds its risk management activities on a pay-as-you-go basis, not on an accrual basis.

The primary function of the General Services Fund is rental of State-owned office space to other State agencies. The deficit resulted because rental and other fees were based on projected cash flow needs rather than on accrual-basis expenses.

Management of the Department of Highways and Public Transportation does not intend that revenues of its Internal Service Fund cover depreciation on contributed capital assets of the fund. The deficit in the Department's Internal Service Fund Retained Earnings account results from the State's policy of closing depreciation on contributed capital assets to the Retained Earnings account.

The Retained Earnings deficit of the Pension Administration Fund occurred because the Fund's revenues (assessments of other funds) are based on budgetary-basis expenditure requirements rather than on accrual-basis amounts.

NOTE 19: PUBLIC ENTITY RISK POOLS

The State operates two public entity risk pools: the South Carolina Workers' Compensation Second Injury Fund (SIF) and the South Carolina Medical Malpractice Patients' Compensation Fund (PCF).

a. Description of Funds

State law established the SIF to pay claims when an individual with an existing permanent physical impairment incurs a subsequent employment-related disability. Participation is mandatory for all insurance carriers and self-insurers in the State. Participants include 107 insurance carriers and 159 self-insurers (including the State Workers' Compensation Fund and the State Department of Highways and Public Transportation). In accordance with State law, participant assessments for the current fiscal year total 175% of SIF disbursements for the preceding fiscal year less the SIF's year-end net assets. This total assessment is prorated among participants based on their workers' compensation losses for the preceding calendar year. Assessment revenue funds both SIF claims costs and administrative costs. The SIF accepts no responsibility for claim costs in excess of its assets.

State law created the PCF to pay that portion of any medical malpractice claim, settlement, or judgment against a licensed health care provider which exceeds $100,000 per incident or $300,000 in the aggregate for one year. Licensed health care providers include physicians and surgeons, directors, officers and trustees of hospitals, nurses, oral surgeons, dentists, pharmacists, chiropractors, hospitals, nursing homes, and any similar

Notes to the Financial Statements

category of licensed health care providers. All providers licensed in South Carolina are eligible to participate upon remittance of the annual assessment fees. Currently, 4,769 individual health care providers and 732 professional associations and partnerships participate in the Fund.

b. Unpaid Claims Liabilities

Both funds actuarially establish claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as medical technology, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

c. Reconciliation of Claims Liabilities

Both funds establish liabilities for reported and unreported insured events. These liabilities include estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities (expressed in thousands) for the SIF and the PCF during the current fiscal year:,

	SIF	PCF
Unpaid claims and claim adjustment expenses at beginning of year	$146,281	$17,962
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current year	59,971	(827)
Provision for insured events of prior years	–	(80)
Total incurred claims and claim adjustment expenses	59,971	(907)
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current year	118	–
Claims and claim adjustment expenses attributable to insured events of prior years	34,734	1,305
Total payments	34,852	1,305
Total unpaid claims and claim adjustment expenses at end of the year	$171,400	$15,750

Data for the prior fiscal year is not available.

d. Revenue and Claims Development Information

The separately issued audited Component Unit Financial Statements for the SIF and the PCF include Required Supplementary Information regarding revenue and claims development.

NOTE 20: JOINT OPERATION

The Summer Nuclear Station is a joint operation owned by the Public Service Authority, a regulated electric utility reported within the State's Enterprise Funds, and the South Carolina Electric and Gas Company, a non-governmental electric utility. The Public Service Authority owns an undivided one-third interest in the Station while South Carolina Electric and Gas owns an undivided two-thirds interest. South Carolina Electric and Gas is solely responsible for the Station's management, budgeting, operation, maintenance, and decommissioning. The Public Service Authority receives one-third of the net electricity that the Station generates in return for paying one-third of the Station's costs.

In accordance with regulatory accounting practices, the State's Enterprise Funds at June 30, 1991, include Property, Plant, and Equipment of $429 million and expenses of $33.2 million which represent the State's interest in this joint operation. The State has financed its interest in the joint operation with long-term debt. The Summer Nuclear Station is not a separate legal entity and does not prepare separate financial statements.

NOTE 21: CONTINGENCIES

a. Litigation

(i) The State is involved in several significant legal proceedings:

As a result of a United States Supreme Court ruling, the State passed legislation to tax State retirees' pension income to the same extent as Federal retirees' pension income. Litigation initiated by individual plaintiffs during the fiscal year ended June 30, 1989, sought refunds for taxes paid by Federal retirees prior to this legislation. Since the issue of allowing Federal retirees to claim refunds was not resolved by the United States Supreme Court ruling, cases are pending in the court seeking tax refunds for Federal retirees. During the fiscal year ended June 30, 1990, the State Supreme Court ruled in favor of the State. The plaintiffs have filed a Petition for Writ of Certiorari requesting that the United States Supreme Court consider this issue. This Petition was granted, and the decision of the South Carolina Supreme Court was vacated. The case has been remanded to the State Supreme Court for further consideration in light of another United States Supreme Court decision.

Notes to the Financial Statements

The State is involved in litigation that challenges its Beach Management Act. The Act provides for beach protection through a forty-year program to restore the beach and dune system to its natural dynamic equilibrium. The Act contains certain prohibitions against building and against rebuilding in the event that currently existing structures are demolished. The Act provides limited remedies in those cases where it is determined that the rebuilding prohibition deprives the owner of the practical use of the property. Three of the cases that challenged the constitutionality of the Act as applied to certain pieces of property resulted in trial court judgments against the State. The State appealed these judgments to the South Carolina Supreme Court. In one of these actions, the State Supreme Court overturned a trial court decision in favor of the State. The landowner has filed a Petition for Writ of Certiorari with the United States Supreme Court, requesting review of the State Court's decision. The State opposes the issuance of the Writ of Certiorari. There is a similar action pending in the State Supreme Court, and its disposition depends upon the ultimate disposition of the action pending in the United States Supreme Court. Several other claims have been filed; however, counsel for the State does not believe they are material.

Individual plaintiffs are challenging State legislation that requires troopers of the State Highway Patrol to retire at age sixty-two. The plaintiffs contend that this legislation violates the Federal Age Discrimination in Employment Act. The State, however, contends that its law does not violate the Federal act because the age requirement is a bona fide occupational qualification. This case is presently pending in Federal court.

The Charleston County School Board has filed a suit against the State's Insurance Reserve Fund for unreimbursed payments resulting from hurricane damage claims. The outcome to the State is uncertain at this time.

It is presently not possible for the Attorney General's Office to determine the final outcome of these pending cases. Should all of these cases have unfavorable outcomes, the State could incur additional losses up to approximately $216.5 million.

(ii) Included in the State's litigation is a claim filed by the Catawba Indian Nation that seeks recovery of approximately 144,000 acres of land in two of the State's counties. In the early eighteenth and nineteenth centuries, the State purchased this land from the Catawba Indian Nation. The State then sold the land to private citizens. Because the State was a participant in acquiring the land, the State may participate in any unfavorable outcomes. Some similar cases in other states have been settled through Federal legislation which provided for funding to be shared in part by both the Federal and state governments. This case has been pending in the courts for several years and is expected to take several more years to resolve.

(iii) The State presently is involved in a matter pending before the Federal courts concerning the operation of a school district. Injunctive relief granted against the State could result in the State being required to provide specific services and make certain capital expenditures. Any such expenditures would probably occur over several fiscal years. During the fiscal year ended June 30, 1990, the United States District Court issued a judgment in favor of the State. The plaintiffs have appealed this ruling, and the appeal has been argued in the United States Court of Appeals for the Fourth Circuit. The State continues to vigorously defend this appeal of the judgment entered in favor of the State.

(iv) The State is involved in a Federal class action lawsuit challenging the constitutionality of the conditions of confinement at the State Department of Youth Services' long-term care facilities and its reception and evaluation center. The action seeks both damage and remedial relief. The State's lawyers have made no prediction of outcome; however, should the court order significant remedial relief, the costs to the State could be significant. These costs, if ordered, would likely extend over several fiscal years.

(v) The State is presently involved in actions pending in both the Federal and State courts challenging the constitutionality of various aspects of State statutes and regulations that relate to the State's plan for management of waste disposal. Should plaintiffs be successful in these actions, significant attorneys' fees will be owed to plaintiffs.

(vi) The State's Department of Highways and Public Transportation is involved in several legal proceedings. Such litigation involves construction disputes as well as condemnation cases incurred in the ordinary course of operations. Substantial federal participation is expected if these cases are settled against the State. Accordingly, these cases are not expected to have a material, adverse effect on the State's financial position.

(vii) The State is involved in other legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Such litigation includes cases involving the legality of certain taxes assessed by the State, claims asserted against the State arising from alleged torts, and possible violations of State and Federal laws. Unfavorable outcomes in these matters could result in the State incurring losses. These losses are not expected to have a material, adverse impact on the financial position of the funds involved.

Notes to the Financial Statements

b. Loan Guarantees

The State Education Assistance Authority (SEAA) within the State's Enterprise Funds guarantees student loans. At June 30, 1991, these loans totaled $277.2 million. The United States Department of Education (DOE) ordinarily reinsures losses under these guarantees up to 100%. If the loan default rate exceeds 5% of the loans in repayment status, however, the DOE decreases the reinsurance rate. The State's default rate at June 30, 1991, was less than 2%.

c. Federal Grants

The State receives significant Federal grant and entitlement revenues. Compliance audits of Federal programs may identify disallowed expenditures. Disallowances by Federal program officials as a result of these audits may become liabilities of the State. The State records a liability for pending disallowances if settlement is probable and the settlement amount is reasonably estimable. Otherwise, the liability is recorded when the State and the Federal government agree upon reimbursement terms. It is presently not possible for management to determine the outcome of pending audit disallowances. Based on an analysis of historical data, however, the State believes that any such reimbursements relating to the fiscal year ended June 30, 1991, or earlier years will not have a material impact on the State's financial position.

d. Coal Purchase Commitments

The Public Service Authority, an electric utility company reported in the Enterprise Funds, has committed to acquire coal under four long-term contracts with terms extending from three to fourteen years. Based on current prices, the coal purchase commitment approximates $1.1 billion. The commitment is subject to certain terms and conditions, including price and tonnage adjustments.

NOTE 22. HURRICANE DAMAGE

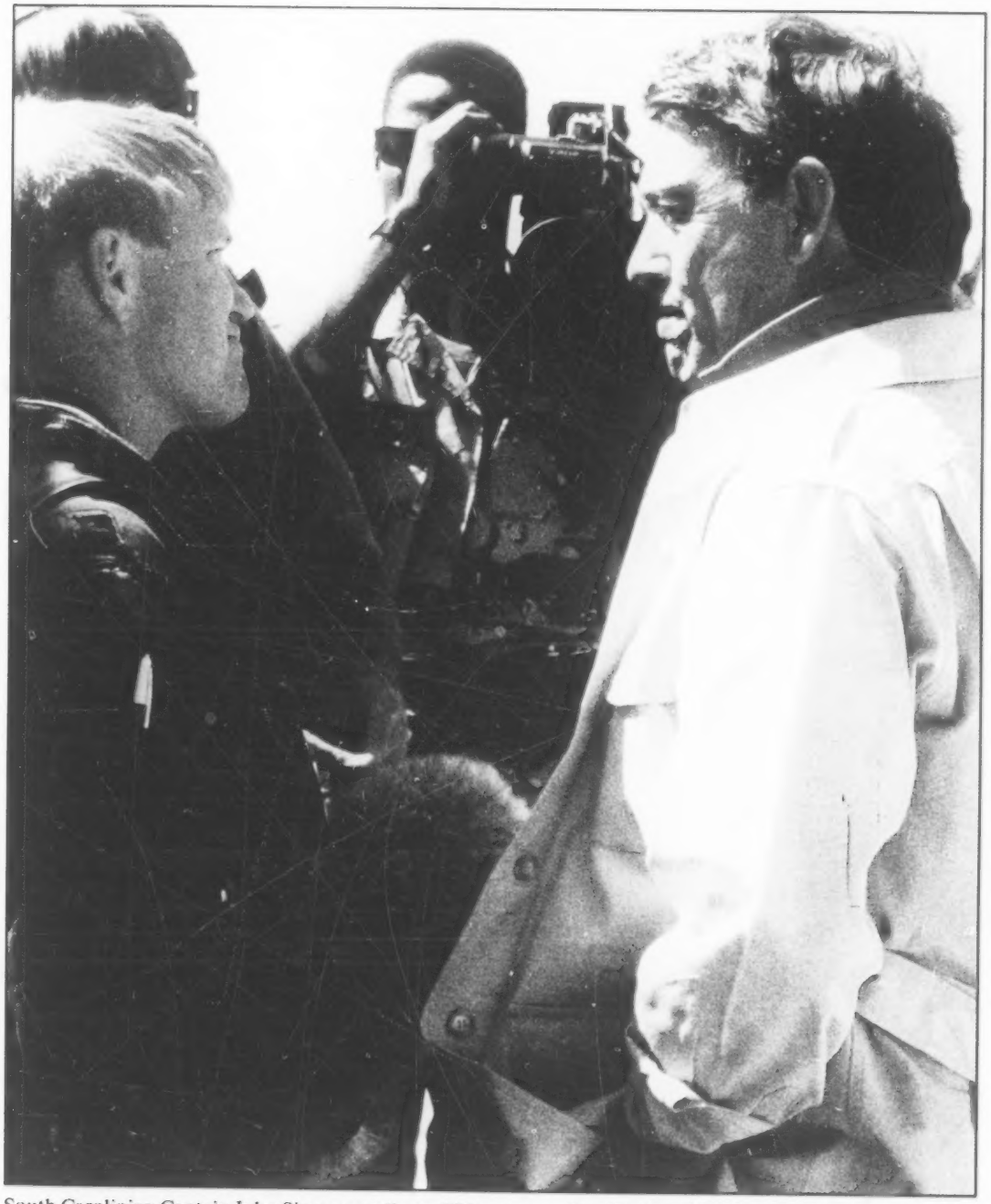
On September 21, 1989, Hurricane Hugo struck the South Carolina coast and continued inland causing catastrophic damage to twenty-four of the State's forty-six counties. All twenty-four of these counties were declared Federal disaster areas.

Hurricane damage to State-owned property cost approximately $127.4 million. The cost to repair or replace hurricane-damaged property has been borne primarily by the State's Insurance Reserve Fund, a risk management fund, and by the Federal government for assets not covered by the Insurance Reserve Fund. Losses to State-owned property covered by the Insurance Reserve Fund exceeding the State's $5 million deductible have been borne by private insurance companies with whom the State Insurance Reserve Fund reinsures its risk.

The Federal Emergency Management Agency (FEMA) has provided the State and its citizens financial assistance through two programs. FEMA's Public Assistance Program has assisted in restoring publicly-owned property damaged or destroyed during the disaster. FEMA's Individual and Family Grant Recovery Program assisted disaster victims in meeting expenses which could not be met through insurance, bank loans, and other disaster assistance programs.

Under the Public Assistance Program agreement, the State was required to contribute not more than $8.25 million. The State paid $3.30 million during the fiscal year ended June 30, 1990, and $3.30 million during the fiscal year ended June 30, 1991. The remaining $1.65 million will be paid during the fiscal year ending June 30, 1992. This liability has been recorded in the General Long-Term Obligation Account Group. FEMA is bearing the remaining costs.

Under the Individual and Family Grant Recovery Program agreement, the State paid $17.8 million during the fiscal year ended June 30, 1990, and $0.1 million during the fiscal year ended June 30, 1991. FEMA is bearing the remaining costs.



South Carolinian Captain John Sizemore talks to CBS newsman Dan Rather after Sizemore flew the hundredth combat mission by the South Carolina National Guard's 169th Tactical Fighter Group. The Group flew 1,400 sorties during the Gulf War.

COMBINING FINANCIAL STATEMENTS AND SCHEDULES

Fort Jackson, located in Columbia, the capital of South Carolina, is the Army's largest training base and in 1990 processed some 50,000 soldiers. Named after the Nation's seventh President, Andrew Jackson (A South Carolina native), the fort has an average training load of 8,235.

Special Revenue Funds

Special Revenue Funds account for specific revenue sources (other than for Capital Projects, Trust, and Higher Education Funds) that are legally restricted for specified purposes. The State uses the following Special Revenue Funds:

Departmental General Operating Fund. This fund accounts for resources that are part of a particular State component unit's or agency's General Fund but are not part of the State's General Fund. These resources include significant amounts of Federal grant receipts.

Education Improvement Act Fund. This fund accounts for the special additional one-percent sales tax levied to be used exclusively for improvements in elementary and secondary education.

Repair, Maintenance, and Renovation Fund. This fund accounts for State bond proceeds and other permanent improvement project resources to be expended for approved repair, maintenance, renovation, and alteration projects.

Hazardous Waste Contingency Fund. This fund accounts for fees collected from generators of hazardous wastes and from owners and operators of hazardous waste storage facilities. These fees must be used to cover the State's costs in governmental actions involving uncontrolled hazardous waste sites.

Highway Department Special Revenue Fund. This fund accounts for the various gasoline taxes, fees, fines, and Federal grant resources used by the Department of Highways and Public Transportation for its general operations. These operations include highway maintenance and repair, highway safety and law enforcement, and licensing/registration of drivers and vehicles.

Water Recreation Resources Fund. The revenues in this fund come from watercraft gasoline taxes. These revenues must be used for water recreational resources and are allocated to counties for this purpose.

Employment Security Assessment Fund. This fund accounts for assessments made on employers to cover the administrative costs of the Employment Security Commission. These revenues must be used by the Employment Security Commission in assisting with re-employment, supplementing basic employment services, and providing employment services.

Accommodations Tax Fund. This fund accounts for a special additional two-percent sales tax on the gross proceeds on the rental of transient accommodations. These revenues are allocated to counties in accordance with State law. State law also specifies how the counties must use these allocations.

Energy Settlement Fund. Revenues received from court-ordered settlements resulting from oil overcharges by various oil companies are accounted for in this fund. These resources must be used for energy-related programs designed to benefit all categories of the State's petroleum product consumers.

Omnibus Crime Fund. This fund accounts for court fees remitted to the State by local court systems under the Omnibus Crime Act of 1984. These fees must be used for certain programs administered by the Department of Parole and Community Corrections.

Medicaid Expansion Fund. Resources of this fund include county assessments for indigent medical care and a tax on licensed hospitals. The fund was established to provide Medicaid coverage to persons formerly ineligible for such coverage and to provide additional State matching funds for Medicaid.

Other Special Revenue Funds. These funds, aggregated for reporting purposes, account for various other revenues which must be used for specific purposes. These include operations of various agricultural boards, forest renewal programs, and medical and dental scholarships.

Celebrating the fiftieth anniversary of the activation of the South Carolina State Guard, the band of South Carolina's military college, The Citadel, performs on the steps of the State House in Columbia. Directing is Retired Major Herbert L. Day, The Citadel's bandmaster.

Combining Balance Sheet

SPECIAL REVENUE FUNDS

June 30, 1991
(Expressed in Thousands)

	Departmental General Operating	Education Improvement Act	Repair, Maintenance, and Renovation	Hazardous Waste Contingency	Highway Department Special Revenue	Water Recreation Resources
ASSETS						
Cash and cash equivalents	$115,985	$21,051	$4,759	$41,478	$296,837	$4,148
Investments	67	–	–	–	–	–
Receivables, net:						
Accounts	34,377	264	–	435	2,613	–
Taxes	–	20,194	–	–	29,680	93
Loans and notes	49,892	–	–	–	–	–
Due from Federal government and other grantors	171,328	–	1,094	–	1,780	–
Due from other funds	9,260	996	515	943	31,977	96
Interfund receivables	2,051	–	–	–	–	–
Advances to other funds	–	–	–	–	1,088	–
Inventories	7,631	–	–	–	15,471	–
Other assets	–	–	–	–	279	–
Total assets	$390,591	$42,505	$6,368	$42,856	$379,725	$4,337
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	$130,519	$ 6,077	$1,075	$ 6,373	$ 49,502	$ 14
Tax refunds payable	–	156	–	–	915	5
Intergovernmental payables	43,255	5,770	–	–	–	31
Due to other funds	14,787	417	207	58	16,237	6
Interfund payables	7,545	1	1,388	–	–	–
Advances from other funds	4,945	2	–	–	–	–
Deferred revenues	37,415	552	–	–	–	–
Other liabilities	425	–	132	–	8,012	–
Total liabilities	238,891	12,975	2,802	6,431	74,866	56
Fund balances:						
Reserved for:						
Inventories	7,631	–	–	–	15,471	–
Advances to other funds	–	–	–	–	1,088	–
Long-term loans and notes receivable	46,792	–	–	–	–	–
School building aid	–	8,651	–	–	–	–
Other special purposes	–	–	–	–	279	–
Unreserved:						
Designated for special purposes	–	–	–	–	243,989	–
Undesignated	97,277	20,879	3,566	36,425	44,232	4,281
Total fund balances	151,700	29,530	3,566	36,425	305,059	4,281
Total liabilities and fund balances	$390,591	$42,505	$6,368	$42,856	$379,725	$4,337

Employment Security Assessment	Accommodations Tax	Energy Settlement	Omnibus Crime	Medicaid Expansion	Other Special Revenue	Eliminations	Totals
$1,445	$6,800	$41,089	$1,042	$3,365	$ 5,717	$ –	$543,716
–	–	–	–	–	–	–	67
–	–	468	–	15	35	–	38,207
1,290	2,459	–	–	–	–	–	53,716
–	–	–	–	–	1,776	–	51,668
–	–	–	–	–	954	–	175,156
–	170	–	75	–	382	(14,092)	30,322
–	–	–	25	–	645	(1,095)	1,626
–	–	–	–	–	573	–	1,661
–	–	–	–	–	–	–	23,102
–	–	–	–	–	–	–	279
$2,735	$9,429	$41,557	$1,142	$3,380	$10,082	$(15,187)	$919,520
$ 180	$ 1	$ 6,087	$ 378	$ 26	$ 565	$ –	$200,797
–	4	–	–	–	–	–	1,080
–	9,306	1,176	–	–	32	–	59,570
202	8	627	362	129	63	(14,092)	19,011
–	–	–	1	–	–	(1,095)	7,840
–	–	–	1	–	–	–	4,948
73	99	–	–	–	–	–	38,139
–	–	–	–	–	–	–	8,569
455	9,418	7,890	742	155	660	(15,187)	339,954
–	–	–	–	–	–	–	23,102
–	–	–	–	–	573	–	1,661
–	–	–	–	–	1,775	–	48,567
–	–	–	–	–	–	–	8,651
–	–	–	–	–	–	–	279
–	–	–	–	–	–	–	243,989
2,280	11	33,667	400	3,225	7,074	–	253,317
2,280	11	33,667	400	3,225	9,422	–	579,586
$2,735	$9,429	$41,557	$1,142	$3,380	$10,082	$(15,187)	$919,520

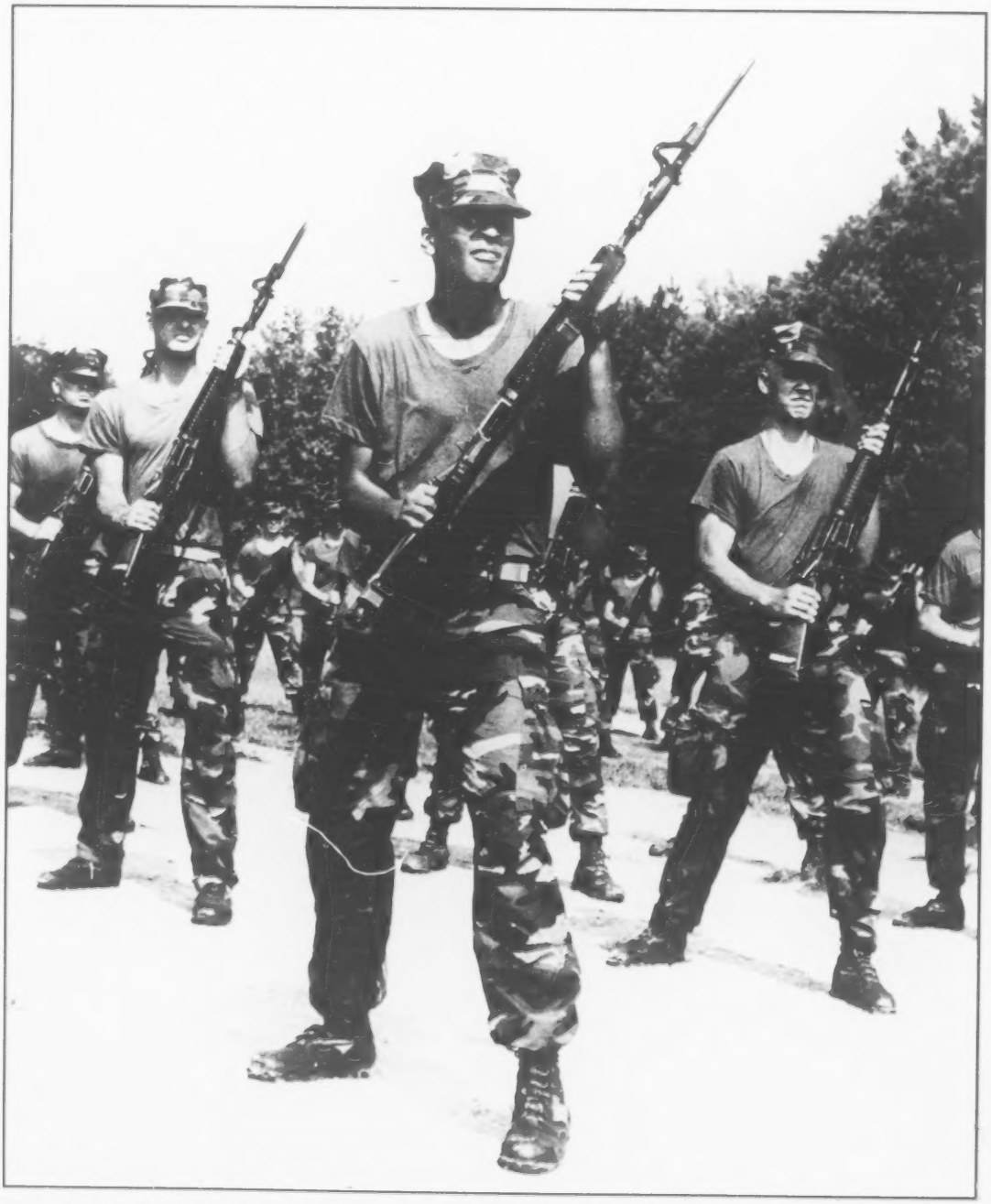
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	Departmental General Operating	Education Improvement Act	Repair, Maintenance, and Renovation	Hazardous Waste Contingency	Highway Department Special Revenue	Water Recreation Resources
Revenues:						
Taxes:						
Retail sales and use	$ 27	$289,258	$ –	$ –	$ –	$ –
Other	2,955	–	11	300	327,286	1,046
Licenses, fees, and permits	18,207	–	–	19,032	85,035	–
Interest and other investment income	2,281	2,056	–	2,064	11,129	–
Federal	1,584,669	–	1,286	–	5,360	–
Departmental services	91,767	–	1,167	286	10,306	–
Contributions	15,555	–	40	–	–	–
Fines and penalties	11,356	–	–	–	1,133	–
Other	44,712	5	196	–	807	–
Total revenues	1,771,529	291,319	2,700	21,682	441,056	1,046
Expenditures:						
Current:						
General governmental	21,719	176	1,596	–	–	–
Education	78,746	9,806	391	–	–	–
Individual and family services	1,263,438	7,710	5,080	3,198	–	–
Administration of justice	17,317	684	3,605	–	–	–
Resources and economic development	49,797	–	3,979	–	–	369
Transportation	193	–	300	–	271,768	–
Capital outlay	–	–	–	–	25,166	–
Debt service:						
Principal retirement	486	–	–	–	–	–
Interest and fiscal charges	77	–	–	–	–	–
Intergovernmental	337,213	280,121	–	–	–	367
Total expenditures	1,768,986	298,497	14,951	3,198	296,934	736
Revenues over (under) expenditures	2,543	(7,178)	(12,251)	18,484	144,122	310
Other financing sources (uses):						
Lease and installment debt proceeds	374	–	–	–	–	–
Operating transfers in	74,715	–	12,385	–	11,779	107
Operating transfers out	(31,393)	(7,365)	(758)	(1,279)	(132,221)	–
Total other financing sources (uses)	43,696	(7,365)	11,627	(1,279)	(120,442)	107
Revenues and other sources over (under) expenditures and other uses	46,239	(14,543)	(624)	17,205	23,680	417
Fund balances, July 1, 1990	104,535	44,073	4,190	19,220	280,596	3,864
Increases in reserve for inventories	926	–	–	–	783	–
Fund balances, June 30, 1991	$ 151,700	$ 29,530	$ 3,566	$36,425	$305,059	$4,281

Employment Security Assessment	Accommodations Tax	Energy Settlement	Omnibus Crime	Medicaid Expansion	Other Special Revenue	Eliminations	Totals
$ –	$17,581	$ –	$ –	$ –	$ –	$ –	$ 306,866
5,301	–	–	–	7,981	–	–	344,880
–	–	–	1,025	–	1,462	–	124,761
–	–	2,762	–	195	285	–	20,772
–	–	–	–	–	73	–	1,591,388
–	–	–	–	–	101	–	103,627
–	–	–	–	9,290	367	–	25,252
–	–	716	6,410	–	193	–	19,808
–	–	–	–	–	245	–	45,965
5,301	**17,581**	**3,478**	**7,435**	**17,466**	**2,726**	**–**	**2,583,319**
5,741	–	1,011	–	–	5,333	–	35,576
–	–	–	–	–	–	–	88,943
–	–	–	–	16,933	172	–	1,296,531
–	–	–	9,525	–	144	–	31,275
–	–	85	–	–	1,418	–	55,648
–	–	–	–	–	–	–	272,261
–	–	–	–	–	–	–	25,166
–	–	–	1	–	–	–	487
–	–	–	–	–	–	–	77
–	17,610	4,891	–	–	1,161	–	641,363
5,741	**17,610**	**5,987**	**9,526**	**16,933**	**8,228**	**–**	**2,447,327**
(440)	**(29)**	**(2,509)**	**(2,091)**	**533**	**(5,502)**	**–**	**135,992**
–	–	–	–	–	–	–	374
–	–	–	782	–	5,165	(49,258)	55,675
(689)	–	(60)	–	–	(478)	49,258	(124,985)
(689)	**–**	**(60)**	**782**	**–**	**4,687**	**–**	**(68,936)**
(1,129)	**(29)**	**(2,569)**	**(1,309)**	**533**	**(815)**	**–**	**67,056**
3,409	**40**	**36,236**	**1,709**	**2,692**	**10,237**	**–**	**510,801**
–	–	–	–	–	–	–	**1,709**
$ 2,280	**$ 11**	**$33,667**	**$ 400**	**$ 3,225**	**$ 9,422**	**$ –**	**$ 579,566**



Parris Island Marine trainees are drilled in how to hold a rifle with a bayonet prior to learning how to fight with a bayonet. Almost 600,000 marines received their basic training at Parris Island for service in World War I, World War II, the Korean War and the Vietnam War.

Enterprise Funds

Enterprise Funds account for business-like State activities that provide goods and/or services to the public. These funds are financed primarily through user charges. The State maintains the following Enterprise Funds:

Public Service Authority. The Public Service Authority produces and sells electric power to individuals, businesses, electric cooperatives, and municipal power departments.

Housing Authority. The State Housing Finance and Development Authority facilitates medium-income and low-income housing opportunities by providing reasonable financing to the State's citizens. To provide such financing, the Authority issues bonds and notes and administers Federal grants and contracts. The Authority is supported primarily by mortgage interest.

Ports Authority. The Ports Authority develops and maintains State-owned harbors and seaports. It handles the commerce through these harbors and is responsible for the operation of six ocean terminals. The Authority operates on fees charged to users of the facilities and services of the Ports Authority.

Public Railways Commission. The Public Railways Commission owns and operates railroad lines, yards, and switching activities near or around certain State ports. The Commission's operations are financed by user charges and leasing fees.

Patriots' Point Development Authority. The Patriots' Point Development Authority is responsible for developing and operating the Patriots' Point area near Charleston, including a Naval Museum. The Authority is supported by user fees.

Canteens Fund. This fund accounts for certain self-supporting canteen operations at State institutions. These canteens serve the institutions' inmates, patients, and visitors.

Patients' Compensation Fund. This fund provides medical malpractice insurance to any public or private health care provider within the State. This fund is reported as a public entity risk pool.

Second Injury Fund. This fund accounts for assessments made on insurance carriers, self-insurers, and the Workers' Compensation Fund. These assessments are used to pay claims of employees with existing permanent physical impairment who are further injured in the course of their subsequent employment. The fund is reported as a public entity risk pool.

Education Assistance Authority. This fund includes the operations of the State Education Assistance Authority and the South Carolina Student Loan Corporation. The Authority issues bonds and makes loans to students of the State to enable them to attend higher education institutions. Resources include interest charges, subsidies from the United States Department of Education, investment earnings, and some State appropriations.

Research Authority. The South Carolina Research Authority is developing and marketing a system of research parks as well as developing and managing research and development contracts. The Authority's purpose is to foster research capabilities in the State's public and private universities.

Other Enterprise Funds. Other enterprise activities of the State include: the Carolina Cup Racing Association, Inc.; the Carolina Capital Investment Corporation; Enterprise Development, Inc.; Savannah Lakes Regional Loan Fund; and certain other programs of the Jobs Economic Development Authority.

South Carolina Air National Guard F-16's, "Gunsmoke World Champions" in competition in Nevada, were identified as the primary Air National Guard F-16 unit to be activated upon mobilization for the Gulf War. The unit was activated early in the conflict and served approximately 180 days.

Combining Balance Sheet

ENTERPRISE FUNDS

June 30, 1991
(Expressed in Thousands)

	Public Service Authority	Housing Authority	Ports Authority	Public Railways Commission	Patriots' Point Development Authority
ASSETS					
Current assets:					
Cash and cash equivalents	$ 26,811	$ 7,334	$ 18,081	$ 5,924	$ 618
Investments	27,149	–	–	–	–
Receivables, net:					
Accounts	56,440	259	7,200	1,290	75
Student loans	–	–	–	–	–
Loans and notes	–	–	–	–	–
Due from Federal government and other grantors	–	–	–	–	–
Due from other funds	–	–	–	–	–
Inventories	65,025	–	899	249	102
Other current assets	1,075	–	1,548	72	16
Deferred charges	–	–	–	–	–
Total current assets	176,500	7,593	27,728	7,535	811
Long-term and restricted assets:					
Investments	–	–	–	–	–
Receivables, net:					
Student loans	–	–	–	–	–
Loans and notes	–	–	–	–	–
Assessments	–	–	–	–	–
Restricted assets:					
Cash and cash equivalents	100,537	129,874	21,633	–	27
Investments	181,985	48,482	5,869	–	3,830
Loans receivable	–	627,680	–	–	–
Other	–	9,804	–	–	–
Other long-term assets	–	–	–	–	–
Deferred charges	558,619	–	238	–	–
Total long-term and restricted assets	841,141	815,840	27,740	–	3,857
Property, plant, and equipment:					
Land and improvements	–	–	100,071	5,398	2,917
Buildings and improvements	–	–	160,139	772	1,544
Utility plant	2,296,114	–	–	–	–
Machinery, equipment, and other	1,039	511	26,508	183	6,392
Construction in progress	120,100	–	16,501	–	16,316
Less: accumulated depreciation	(630,297)	(190)	(97,685)	(1,429)	(3,612)
Total property, plant, and equipment, net	1,786,956	321	205,534	4,924	23,557
Total assets	**$2,804,597**	**$823,754**	**$261,002**	**$12,459**	**$28,225**

Canteens	Patients' Compensation	Second Injury	Education Assistance Authority	Research Authority	Other Enterprise	Elimina-tions	Totals
$4,392	$45,219	$ 26,329	$ 10,155	$ 2,668	$ 8,378	$ –	$ 155,909
–	–	–	–	1,660	840	–	29,649
617	349	427	3,172	510	74	–	70,413
–	–	–	25,673	–	–	–	25,673
–	–	–	–	–	104	–	104
–	–	–	2,295	5,400	70	–	7,765
–	–	–	–	–	412	(5)	407
1,060	–	–	–	–	10	–	67,345
–	–	–	2	–	23	–	2,736
–	–	–	–	–	1	–	1
6,069	45,568	26,756	41,297	10,238	9,912	(5)	360,002
–	–	–	974	–	–	–	974
–	–	–	154,840	–	–	–	154,840
–	–	–	–	–	341	–	341
–	–	151,026	–	–	–	–	151,026
–	–	–	40,000	–	–	–	292,131
–	–	–	15,361	–	500	–	256,027
–	–	–	442	–	–	–	628,122
–	–	–	442	–	–	–	10,246
–	–	–	48	–	–	–	48
–	–	–	2,885	74	3	–	561,819
–	–	151,026	215,052	74	844	–	2,055,574
–	–	–	–	3,818	–	–	112,204
–	–	–	–	13,900	692	–	177,047
–	–	–	–	–	–	–	2,296,114
575	21	83	872	2,194	249	–	38,627
–	–	–	–	–	–	–	152,917
(338)	(11)	(43)	(337)	(2,509)	(198)	–	(736,649)
237	10	40	535	17,403	743	–	2,040,260
$6,306	**$45,578**	**$177,822**	**$256,884**	**$27,715**	**$11,499**	**$(5)**	**$4,455,836**

Continued on Next Page

Combining Balance Sheet

ENTERPRISE FUNDS (Continued)

June 30, 1991
(Expressed in Thousands)

	Public Service Authority	Housing Authority	Ports Authority	Public Railways Commission	Patriots' Point Development Authority
LIABILITIES AND FUND EQUITY					
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	$ 36,327	$ 29,808	$ 14,645	$ 2,140	$ 7,481
Due to other funds	–	21	–	–	21
Interfund payables	–	–	–	–	210
Deferred revenues	–	–	–	–	–
Deposits	5,111	2,865	–	–	–
Notes payable	–	–	–	–	–
Revenue bonds payable	55,831	13,300	1,090	–	21,000
Capital lease and installment debt obligations payable	–	–	129	–	–
Commercial paper notes	120,000	–	–	–	–
Compensated absences payable	–	157	–	143	–
Other current liabilities	12,795	280	480	281	–
Total current liabilities	230,064	46,431	16,344	2,564	28,712
Long-term liabilities:					
Accrued liabilities	64,056	–	–	–	–
Insurance claims incurred but not reported	–	–	–	–	–
Deferred revenues and deferred credits	4,395	–	–	–	–
Deferred compensation	–	–	–	–	–
Notes payable	–	–	–	–	–
Revenue bonds payable	1,860,573	682,733	23,630	–	–
Capital lease and installment debt obligations payable	61,832	13	601	–	–
Other long-term liabilities	18,370	–	–	1,432	–
Total long-term liabilities	2,009,226	682,746	24,231	1,432	–
Total liabilities	**2,239,290**	**729,177**	**40,575**	**3,996**	**28,712**
Fund Equity:					
Contributed capital	34,438	–	139,415	1,760	6,628
Retained earnings:					
Reserved for special purposes	–	93,003	–	550	–
Unreserved	530,869	1,574	81,012	6,153	(7,115)
Total fund equity (deficit)	**565,307**	**94,577**	**220,427**	**8,463**	**(487)**
Total liabilities and fund equity	**$2,804,597**	**$823,754**	**$261,002**	**$12,459**	**$28,225**

Canteens	Patients' Compensation	Second Injury	Education Assistance Authority	Research Authority	Other Enterprise	Elimina-tions	Totals
$ 164	$10,021	$ 6,209	$ 4,809	$ 4,192	$ 95	$–	$ 115,891
144	–	174	–	–	2[illegible]	(5)	384
–	–	–	–	–	–	–	210
–	1,500	–	7	942	62	–	2,511
–	–	–	–	–	5	–	7,981
–	–	–	–	38	170	–	208
–	–	–	21,320	–	–	–	112,541
–	–	1	–	371	–	–	501
–	–	–	–	–	–	–	120,000
86	10	38	58	–	–	–	492
–	–	–	–	–	–	–	13,836
394	11,531	6,422	26,194	5,543	361	(5)	374,555
–	12,000	55,700	–	–	–	–	131,756
–	3,750	115,700	–	–	–	–	119,450
–	–	–	–	–	–	–	4,395
–	–	–	–	156	–	–	156
–	–	–	–	6,877	60	–	6,937
–	–	–	181,665	–	–	–	2,748,601
–	–	–	–	403	–	–	62,849
–	–	–	–	–	–	–	19,802
–	15,750	171,400	181,665	7,436	60	–	3,093,946
394	27,281	177,822	207,859	12,979	421	(5)	3,468,501
16	–	–	–	11,389	2,475	–	196,121
–	–	–	45,484	–	93	–	139,130
5,896	18,297	–	3,541	3,347	8,510	–	652,084
5,912	18,297	–	49,025	14,736	11,078	–	987,335
$6,306	$45,578	$177,822	$256,884	$27,715	$11,499	$(5)	$4,455,836

Combining Statement of Revenues, Expenses, and Changes in Fund Equity

ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	Public Service Authority	Housing Authority	Ports Authority	Public Railways Commission	Patriots' Point Development Authority
Operating revenues:					
Charges for services	$553,980	$ 1,999	$ 46,554	$2,216	$ 3,004
Contributions	–	–	–	–	–
Interest and other investment income	–	71,985	–	–	–
Licenses, fees, and permits	–	–	–	–	–
Total operating revenues	553,980	73,984	46,554	2,216	3,004
Operating expenses:					
General operations and administration	331,786	2,812	29,741	2,299	2,717
Benefits and claims	–	–	–	–	–
Interest	–	59,359	–	–	–
Depreciation and amortization	77,495	98	11,236	127	414
Costs to be recovered from future revenues	(26,527)	–	–	–	–
Other operating expenses	3,426	2,415	–	–	25
Total operating expenses	386,180	64,684	40,977	2,426	3,156
Operating income (loss)	167,800	9,300	5,577	(210)	(152)
Nonoperating revenues (expenses):					
Interest income	22,858	–	2,586	352	282
Federal revenue	–	12,881	–	–	–
Interest expense	(150,671)	–	(1,605)	(96)	(2,217)
Other nonoperating revenues (expenses)	14	(12,871)	1,571	708	–
Total nonoperating revenues (expenses)	(127,799)	10	2,552	964	(1,935)
Income (loss) before operating transfers	40,001	9,310	8,129	754	(2,087)
Operating transfers in	–	481	–	–	–
Operating transfers out	(5,629)	(474)	–	–	–
Net income (loss)	34,372	9,317	8,129	754	(2,087)
Retained earnings (deficit), July 1, 1990 (restated)	496,497	85,260	72,883	5,949	(5,028)
Retained earnings (deficit), June 30, 1991	530,869	94,577	81,012	6,703	(7,115)
Contributed capital	34,438	–	139,415	1,760	6,628
Fund equity (deficit), June 30, 1991	$565,307	$94,577	$220,427	$8,463	$ (487)

Canteens	Patients' Compensation	Second Injury	Education Assistance Authority	Research Authority	Other Enterprise	Elimina-tions	Totals
$11,847	$ 2,932	$58,620	$ 1,685	$25,482	$ 1,547	$ –	$709,866
15	–	–	–	–	66	–	81
–	2,410	2,199	12,431	–	206	–	89,231
1,229	–	–	–	–	6	–	1,235
13,091	5,342	60,819	14,116	25,482	1,825	–	800,413
10,418	191	800	4,629	22,752	1,479	–	409,624
–	(907)	59,971	–	–	–	–	59,064
–	–	–	12,419	–	9	–	71,787
56	4	9	87	1,081	53	–	90,660
–	–	–	–	–	–	–	(26,527)
22	–	39	481	142	126	–	6,676
10,496	(712)	60,819	17,616	23,975	1,667	–	611,284
2,595	6,054	–	(3,500)	1,507	158	–	189,129
–	–	–	–	211	21	–	26,310
–	–	–	9,440	–	27	–	22,348
–	–	–	–	(845)	(20)	–	(155,454)
72	–	–	(3,203)	(4)	(322)	–	(14,035)
72	–	–	6,237	(638)	(294)	–	(120,831)
2,667	6,054	–	2,737	869	(136)	–	68,298
–	–	–	4,600	–	90	(474)	4,697
–	–	–	–	–	–	474	(5,629)
2,667	6,054	–	7,337	869	(46)	–	67,366
3,229	12,243	–	41,688	2,478	8,649	–	723,848
5,896	18,297	–	49,025	3,347	8,603	–	791,214
16	–	–	–	11,389	2,475	–	196,121
$ 5,912	$18,297	$ –	$49,025	$14,736	$11,078	$ –	$987,335

Combining Statement of Cash Flows

ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	Public Service Authority	Housing Authority	Ports Authority	Public Railways Commission	Patriots' Point Development Authority
Cash flows from operating activities:					
Operating income (loss)	$167,800	$ 9,300	$ 5,577	$(210)	$(152)
Adjustments to reconcile operating income (loss) to net cash provided by operations:					
Depreciation and amortization	77,495	98	11,236	127	414
Loss on disposition of property and equipment	–	–	–	3	–
Nuclear fuel settlement	(3,654)	–	–	–	–
Issuance of loans	–	–	–	–	–
Collection of loans	–	–	–	–	–
Transfer of operating income to noncapital financing activities	–	–	–	–	–
Other	(24,024)	(398)	2,513	291	–
Change in assets–decreases (increases):					
Accounts receivable, net	9,069	883	(334)	(350)	(16)
Loans and notes receivable, net	–	(53,050)	–	–	–
Assessments receivable	–	–	–	–	–
Due from Federal government and other grantors	–	–	–	–	–
Due from other funds	–	323	303	–	–
Inventories	(268)	–	(4)	13	15
Other current assets	(132)	(711)	(94)	15	11
Deferred charges	613	–	–	–	–
Change in liabilities–increases (decreases):					
Accounts payable and accrued liabilities	(7,525)	(959)	(209)	41	(25)
Intergovernmental payables	–	–	–	–	–
Insurance claims incurred but not reported	–	–	–	–	–
Due to other funds	–	(106)	–	–	(1)
Deferred revenues	–	–	–	–	–
Deposits	234	226	–	–	–
Deferred compensation	–	–	–	–	–
Compensated absences payable	–	45	–	(3)	–
Other liabilities	(7,186)	710	–	61	–
Net cash and cash equivalents provided by (used in) operating activities	**212,422**	**(43,639)**	**18,988**	**(12)**	**246**
Cash flows from noncapital financing activities:					
Proceeds from loans made by other funds	–	–	–	–	210
Proceeds from sale of revenue bonds	–	47,539	–	–	–
Principal payments on revenue bonds	–	(10,025)	–	–	–
Proceeds from notes payable	–	–	–	–	–
Principal payments on notes payable	–	–	–	–	(38)
Interest payments	–	3,308	–	–	(2)
Federal revenue	–	–	–	–	–
Proceeds from Federal grants	–	12,881	–	–	–
Payments from Federal grants	–	(12,881)	–	–	–
Operating transfers in	–	481	–	–	–
Operating transfers out	(5,629)	(474)	–	–	–
Operating deficiency reimbursement	–	–	–	316	–
Net cash and cash equivalents provided by (used in) noncapital financing activities	**(5,629)**	**40,829**	**–**	**316**	**170**

Canteens	Patients' Compensation	Second Injury	Education Assistance Authority	Research Authority	Other Enterprise	Elimi-nations	Totals
$2,595	$6,054	$ –	$ (3,500)	$1,507	$158	$ –	$189,129
56	4	9	87	1,081	53	–	90,660
36	–	–	–	–	–	–	39
–	–	–	–	–	–	–	(3,654)
–	–	–	(56,183)	–	(150)	–	(56,333)
–	–	–	22,337	–	7	–	22,344
–	–	–	8,298	–	–	–	8,298
72	1	26	(246)	165	(322)	–	(21,922)
(378)	(225)	(165)	(267)	(319)	(14)	–	7,884
–	–	–	–	–	(66)	–	(53,116)
–	–	(22,072)	–	–	–	–	(22,072)
–	–	–	(209)	2,132	7	–	1,930
–	–	56	–	–	161	(139)	704
(126)	–	–	–	–	(10)	–	(380)
–	–	–	1	–	(18)	–	(928)
–	–	–	–	–	(1)	–	612
(374)	3,177	12,262	(2,104)	(1,965)	(10)	–	2,309
–	–	–	–	–	(279)	–	(279)
–	(74)	17,615	–	–	–	–	17,541
(24)	(4)	50	–	–	25	139	79
–	(291)	–	(2)	736	7	–	450
–	–	–	–	–	(33)	–	427
–	–	–	–	41	–	–	41
14	(1)	5	7	–	–	–	67
–	–	–	–	–	–	–	(6,415)
1,871	8,641	7,786	(31,781)	3,378	(485)	–	177,415
–	–	–	–	–	–	–	210
–	–	–	48,400	–	–	–	95,939
–	–	–	(17,665)	–	–	–	(27,690)
–	–	–	–	–	110	–	110
–	–	–	–	–	–	–	(38)
–	–	–	(12,515)	–	–	–	(9,209)
–	–	–	9,440	–	27	–	9,467
–	–	–	–	–	–	–	12,881
–	–	–	–	–	–	–	(12,881)
–	–	–	4,600	–	90	(474)	4,697
–	–	–	–	–	–	474	(5,629)
–	–	–	–	–	–	–	316
–	–	–	32,260	–	227	–	68,173

Continued on Next Page

Combining Statement of Cash Flows

ENTERPRISE FUNDS (Continued)

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	Public Service Authority	Housing Authority	Ports Authority	Public Railways Commission	Patriots' Point Development Authority
Cash flows from capital and related financing activities:					
Acquisition of property and equipment	$ (92,473)	$ (86)	$(23,513)	$ (249)	$ (345)
Proceeds from sale of property and equipment	438	–	214	2	–
Proceeds from sale of revenue bonds	21,416	–	–	–	–
Principal payments on revenue bonds	(35,571)	–	(1,015)	–	–
Interest payments	(139,399)	(1)	(2,184)	(96)	(24)
Increase in commercial paper notes	70,000	–	–	–	–
Proceeds from notes payable	–	–	–	35	–
Principal payments on notes payable	–	–	–	(137)	–
Proceeds from capital leases and installment debt obligations payable	–	–	–	–	–
Principal payments on capital leases and installment debt obligations payable	(2,877)	(7)	(130)	–	–
Increase in other long-term assets	(8,777)	–	–	–	–
Increase in long-term liabilities	2,236	–	–	–	–
Insurance proceeds	–	–	2,966	–	–
Additions to deferred loan costs	399	–	–	–	–
Net cash and cash equivalents (used in) capital and related financing activities	(184,608)	(94)	(23,662)	(445)	(369)
Cash flows from investing activities:					
Proceeds from sale of investments	–	–	987	–	–
Purchase of investments	(29,897)	(1,488)	–	–	(178)
Receipt of interest	19,471	–	2,710	322	282
Net cash and cash equivalents provided by (used in) investing activities	(10,426)	(1,488)	3,697	322	104
Net increase (decrease) in cash and cash equivalents	11,759	(4,392)	(977)	181	151
Cash and cash equivalents, July 1, 1990 (restated)	115,589	141,600	40,691	5,743	494
Cash and cash equivalents, June 30, 1991	$127,348	$137,208	$39,714	$5,924	$ 645

Canteens	Patients' Compensation	Second Injury	Education Assistance Authority	Research Authority	Other Enterprise	Elimi-nations	Totals
$ (99)	$ –	$ (21)	$ (106)	$(1,168)	$ (87)	$ –	$(118,147)
–	–	–	–	–	–	–	654
–	–	–	–	–	–	–	21,416
–	–	–	–	–	–	–	(36,586)
–	–	–	–	(845)	(20)	–	(142,569)
–	–	–	–	–	–	–	70,000
–	–	–	–	4,325	40	–	4,400
–	–	–	–	(4,359)	(217)	–	(4,713)
–	–	–	–	922	–	–	922
–	–	(3)	–	(402)	–	–	(3,419)
–	–	–	–	–	–	–	(8,777)
–	–	–	–	–	–	–	2,236
–	–	–	–	–	–	–	2,966
–	–	–	–	(11)	–	–	388
(99)	–	(24)	(106)	(1,538)	(284)	–	(211,229)
–	–	–	63,208	–	90	–	64,285
–	–	–	(78,535)	(830)	–	–	(110,928)
–	–	–	4,301	211	21	–	27,318
–	–	–	(11,026)	(619)	111	–	(19,325)
1,772	8,641	7,762	(10,653)	1,221	(431)	–	15,034
2,620	36,578	18,567	60,868	1,447	8,809	–	433,006
$4,392	$45,219	$26,329	$50,215	$ 2,668	$8,378	$ –	$448,040

It's welcome home time for a Charleston-based Naval officer after service in the Gulf War. The Charleston base supports the war fighting readiness of the United States Atlantic Fleet.

Internal Service Funds

Internal Service Funds provide goods/services to other funds, other component units, or other governments on a cost-reimbursement basis. The State uses the following Internal Service Funds:

Insurance Reserve Fund. This is a risk management/reinsurance fund. It underwrites insurance risks on public buildings and their contents and tort liability, medical malpractice, and automobile liability for public employees. The Fund's customers are limited by law to certain governmental persons/entities within the State and certain associated parties.

Health and Disability Insurance Fund. This is a risk management fund which underwrites the group health, dental, and related benefits provided to State and public school employees and retirees.

Workers' Compensation Fund. This is a risk management fund which provides workers' compensation benefits to State employees. Premiums are collected from State agencies.

State Employee Unemployment Compensation Fund. This is a risk management fund that provides unemployment benefits to prior State employees. Premiums are collected from State agencies.

General Services Fund. This fund accounts for various services provided to State and local governmental units for which user fees are charged. These services include rental of office buildings, janitorial services, building maintenance, and procurement services.

Central Supplies and Equipment Fund. This fund sells office supplies and equipment, food, and paper products to other governmental units. It also stores food and paper products for State agencies.

Information Resources Management Fund. This fund provides telecommunication services and equipment, computer services, information technology planning and assistance in equipment and system selections, and printing services to governmental entities.

Motor Pool Fund. This fund provides daily and permanent lease assignments of vehicles to State agencies. It also maintains an inventory of automotive parts to provide maintenance of these vehicles.

Highway Department Internal Service Fund. This fund accounts for various service activities of the Department of Highways and Public Transportation. The fund provides data processing and printing services, equipment rentals, and office and engineering supplies to other divisions and county offices of the Department.

Pension Administration Fund. This fund administers the public employee retirement systems. Revenues of the fund primarily consist of assessments charged to the four Pension Trust Funds.

Prison Industries Fund. This fund accounts for goods produced by inmate labor. These goods are sold primarily to State agencies.

Other Internal Service Funds. These funds, aggregated for reporting purposes, account for other miscellaneous activities that meet the definition of Internal Service Funds. Such activities include provision of training programs for State employees and work activity centers of the Department of Vocational Rehabilitation.

Charleston-based naval personnel return home after service in Operation Desert Storm. Ten Charleston-based ships carried 3,000 troops to the war.

Combining Balance Sheet

INTERNAL SERVICE FUNDS

June 30, 1991
(Expressed in Thousands)

	Insurance Reserve	Health and Disability Insurance	Workers' Compensation	State Employee Unemployment Compensation	General Services	Central Supplies and Equipment
ASSETS						
Current assets:						
Cash and cash equivalents	$222,832	$102,819	$27,662	$2,971	$ 10,085	$ 860
Accounts receivable, net	28,286	577	1,063	–	226	34
Loans and notes receivable, net	310	–	–	–	–	–
Due from Federal government and other grantors	–	–	–	–	105	–
Due from other funds	447	8,232	6,209	2	1,119	1,020
Interfund receivables	2,882	–	–	–	2,329	–
Inventories	–	–	–	–	132	3,158
Other current assets	429	–	–	–	–	–
Total current assets	255,186	111,628	34,934	2,973	13,998	5,072
Long-term assets:						
Long-term investments	–	10,490	–	–	–	–
Loans and notes receivable, net	31	–	–	–	–	–
Advances to other funds	31,830	–	–	–	22,137	–
Total long-term assets	31,861	10,490	–	–	22,137	–
Property, plant, and equipment:						
Land and improvements	–	–	–	–	4,571	–
Buildings and improvements	–	–	–	–	117,756	–
Machinery, equipment, and other	623	335	387	–	2,212	23
Construction in progress	–	–	–	–	4,460	–
Less: accumulated depreciation	(299)	(134)	(151)	–	(26,296)	(16)
Total property, plant, and equipment, net	324	201	236	–	102,703	7
Total assets	**$287,371**	**$122,319**	**$35,170**	**$2,973**	**$138,838**	**$5,079**
LIABILITIES AND FUND EQUITY						
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	$ 64,380	$ 23,765	$13,420	$ –	$ 1,420	$ 736
Insurance claims incurred but not reported	46,100	76,110	8,652	–	–	–
Due to other funds	1,104	56	64	973	825	12
Interfund payables	–	–	4	–	4,288	500
Deferred revenues	12,166	163	750	–	–	–
Capital lease and installment debt obligations payable	–	–	–	–	1,223	–
Compensated absences payable	179	170	150	–	586	22
Other current liabilities	–	–	–	–	191	–
Total current liabilities	123,929	100,264	23,040	973	8,533	1,270
Long-term liabilities:						
Accrued liabilities	–	7,991	19,203	–	–	–
Advances from other funds	–	–	4	–	42,008	–
Capital lease and installment debt obligations payable	–	–	–	–	38,698	–
Total long-term liabilities	–	7,991	19,207	–	80,706	–
Total liabilities	123,929	108,255	42,247	973	89,239	1,270
Fund Equity:						
Contributed capital	–	–	–	–	60,151	–
Retained earnings (deficits)	163,442	14,064	(7,077)	2,000	(10,552)	3,809
Total fund equity (deficit)	163,442	14,064	(7,077)	2,000	49,599	3,809
Total liabilities and fund equity	$287,371	$122,319	$35,170	$2,973	$138,838	$5,079

Information Resources Management	Motor Pool	Highway Department Internal Service	Pension Administration	Prison Industries	Other Internal Service	Eliminations	Totals
$ 7,205	$2,378	$ 6,847	$506	$1,442	$5,923	$ –	$391,530
44	–	–	–	744	62	–	31,038
–	–	–	–	–	–	–	310
–	–	–	–	–	–	–	105
3,017	846	–	–	281	43	(3,630)	17,586
615	–	–	–	–	–	(3,629)	2,197
735	8	–	–	1,490	–	–	5,523
–	–	–	–	–	–	–	429
11,616	3,232	6,847	506	3,957	6,028	(7,259)	448,718
–	–	–	–	–	–	–	10,490
–	–	–	–	–	–	–	31
872	–	–	–	–	–	(40,301)	14,538
872	–	–	–	–	–	(40,301)	25,059
–	220	–	–	–	–	–	4,791
–	465	–	–	–	–	–	118,221
54,463	12,455	8,561	978	6,112	388	–	86,537
–	81	–	–	–	–	–	4,541
(37,033)	(7,049)	(3,598)	(593)	(3,939)	(167)	–	(79,275)
17,430	6,172	4,963	385	2,173	221	–	134,815
$29,918	$9,404	$11,810	$891	$6,130	$6,249	$(47,560)	$608,592
$ 1,466	$ 132	$ 5	$458	$ 350	$ 887	$ –	$107,019
–	–	–	–	–	–	–	130,862
172	203	–	78	103	40	(3,630)	–
744	45	–	–	–	–	(3,629)	1,952
–	–	–	–	–	–	–	13,079
5,534	–	–	–	10	–	–	5,767
617	89	–	368	243	65	–	2,489
–	–	–	–	–	219	–	410
8,533	469	5	904	706	1,211	(7,259)	262,578
–	–	–	–	–	–	–	27,194
11,978	214	–	–	–	–	(40,301)	13,903
8,562	–	–	–	11	–	–	47,271
20,540	214	–	–	11	–	(40,301)	88,368
29,073	683	5	904	717	1,211	(47,560)	350,946
233	164	11,854	8	2,755	128	–	75,293
612	8,557	(49)	(21)	2,658	4,910	–	182,353
845	8,721	11,805	(13)	5,413	5,038	–	257,646
$29,918	$9,404	$11,810	$891	$6,130	$6,249	$(47,560)	$608,592

Combining Statement of Revenues, Expenses, and Changes in Fund Equity

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	Insurance Reserve	Health and Disability Insurance	Workers' Compensation	State Employee Unemployment Compensation	General Services	Central Supplies and Equipment
Operating revenues:						
Charges for services	$ 54,847	$360,970	$ –	$ –	$23,421	$15,188
Contributions	–	–	29,073	2,567	–	–
Interest and other investment income	19,021	4,718	2,137	–	–	–
Licenses, fees, and permits	–	–	–	–	–	–
Total operating revenues	73,868	365,688	31,210	2,567	23,421	15,188
Operating expenses:						
General operations and administration	41,555	3,307	2,318	62	20,518	15,687
Benefits and claims	30,831	351,133	20,993	1,531	–	–
Depreciation	107	36	42	–	2,582	2
Other operating expenses	–	–	96	–	438	33
Total operating expenses	72,493	354,476	23,449	1,593	23,538	15,722
Operating income (loss)	1,375	11,212	7,761	974	(117)	(534)
Nonoperating revenues (expenses):						
Interest income	–	–	–	–	2,409	–
Federal revenue	–	–	–	–	312	–
Interest expense	–	–	(1)	–	(6,308)	–
Other nonoperating revenues (expenses)	223	(317)	–	–	434	–
Total nonoperating revenues (expenses)	223	(317)	(1)	–	(3,153)	–
Income (loss) before operating transfers	1,598	10,895	7,760	974	(3,270)	(534)
Operating transfers in	–	–	974	–	1,152	–
Operating transfers out	(1,047)	(249)	(1,425)	(974)	(776)	(73)
Net income (loss)	551	10,646	7,309	–	(2,894)	(607)
Retained earnings (deficits), July 1, 1990	162,891	3,418	(14,386)	2,000	(7,658)	4,416
Retained earnings (deficits), June 30, 1991	163,442	14,064	(7,077)	2,000	(10,552)	3,809
Contributed capital, July 1, 1990	11	–	–	–	60,064	–
Additions to contributed capital	–	–	–	–	406	–
Deductions from contributed capital	(11)	–	–	–	(319)	–
Fund equity (deficit), June 30, 1991	$163,442	$ 14,064	$(7,077)	$2,000	$49,599	$ 3,809

Information Resources Management	Motor Pool	Highway Department Internal Service	Pension Administration	Prison Industries	Other Internal Service	Eliminations	Totals
$26,903	$6,102	$ 2,057	$ –	$9,417	$1,318	$ –	$ 500,223
–	–	–	–	–	–	–	31,640
–	–	–	–	–	–	–	25,876
–	–	–	–	–	200	–	200
26,903	**6,102**	**2,057**	**–**	**9,417**	**1,518**	**–**	**557,939**
20,727	2,830	991	5,942	8,701	1,385	–	124,023
–	–	–	–	–	54	–	404,542
7,306	2,636	1,258	119	511	31	–	14,630
597	25	163	89	59	22	–	1,522
28,630	**5,491**	**2,412**	**6,150**	**9,271**	**1,492**	**–**	**544,717**
(1,727)	**611**	**(355)**	**(6,150)**	**146**	**26**	**–**	**13,222**
177	–	–	–	–	345	–	2,931
–	–	–	–	–	–	–	312
(2,395)	(21)	–	–	(4)	–	–	(8,729)
(66)	(144)	–	98	(4)	(222)	–	2
(2,284)	**(165)**	**–**	**98**	**(8)**	**123**	**–**	**(5,484)**
(4,011)	**446**	**(355)**	**(6,052)**	**138**	**149**	**–**	**7,738**
1,761	324	–	5,848	–	–	(4,460)	5,599
(10)	(63)	–	–	–	(191)	4,460	(348)
(2,260)	**707**	**(355)**	**(204)**	**138**	**(42)**	**–**	**12,989**
2,872	**7,850**	**306**	**183**	**2,520**	**4,952**	**–**	**169,364**
612	**8,557**	**(49)**	**(21)**	**2,658**	**4,910**	**–**	**182,353**
233	**133**	**10,352**	**8**	**2,669**	**129**	**–**	**73,599**
–	**31**	**2,227**	–	**86**	–	–	**2,750**
–	–	**(725)**	–	–	**(1)**	–	**(1,056)**
$ 845	**$8,721**	**$11,805**	**$ (13)**	**$5,413**	**$5,038**	**$ –**	**$257,646**

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	Insurance Reserve	Health and Disability Insurance	Workers' Compensation	State Employee Unemployment Compensation	General Services
Cash flows from operating activities:					
Operating income (loss)	$ 1,375	$11,212	$7,761	$ 974	$ (117)
Adjustments to reconcile operating income (loss) to net cash provided by operations:					
Depreciation and amortization	107	36	42	–	2,582
Loss (gain) on disposition of property and equipment	(24)	–	–	–	56
Other	–	–	–	–	1,359
Change in assets–decreases (increases):					
Accounts receivable, net	40,789	466	(546)	–	60
Due from Federal government and other grantors	–	–	–	–	47
Due from other funds	1,163	(6,809)	(1,763)	(2)	(555)
Inventories	–	–	–	–	8
Other current assets	1,768	–	–	–	–
Change in liabilities–increases (decreases):					
Accounts payable and accrued liablities	(20,079)	18,067	33	–	111
Insurance claims incurred but not reported	16,658	30,640	(153)	–	–
Due to other funds	991	56	6	41	(2,651)
Interfund payables	–	–	1	–	–
Deferred revenues	(3,358)	(3,536)	(563)	–	–
Compensated absences payable	20	23	19	–	41
Other liabilities	–	–	–	–	184
Net cash and cash equivalents provided by (used in) operating activities	**39,410**	**50,155**	**4,837**	**1,013**	**1,125**
Cash flows from noncapital financing activities:					
Proceeds from loans made by other funds	–	–	–	–	2,786
Principal payments made to other funds	–	–	–	–	(2,031)
Interest payments made to other funds	–	–	–	–	(1,836)
Proceeds from Federal grants	–	–	–	–	312
Other nonoperating revenues (expenses)	223	(317)	–	–	434
Operating transfers in	–	–	974	–	1,152
Operating transfers out	(1,047)	(249)	(1,425)	(974)	(776)
Net cash and cash equivalents provided by (used in) noncapital financing activities	**(824)**	**(566)**	**(451)**	**(974)**	**41**

Central Supplies and Equipment	Information Resources Management	Motor Pool	Highway Department Internal Service	Pension Administration	Prison Industries	Other Internal Service	Eliminations	Totals
$ (534)	$(1,727)	$ 611	$ (355)	$(6,150)	$146	$ 26	$ –	$13,222
2	7,306	2,636	1,258	119	511	31	–	14,630
–	158	146	–	11	8	4	–	359
–	775	–	–	–	(56)	–	–	2,078
10	(20)	–	–	–	(183)	(11)	–	40,565
–	109	–	–	–	–	–	–	156
(154)	(864)	(81)	–	–	(40)	(19)	(1,451)	(10,575)
472	(5)	2	–	–	572	–	–	1,049
–	–	–	–	–	–	–	–	1,768
(169)	166	32	4	107	(316)	677	–	(1,367)
–	–	–	–	–	–	–	–	47,145
(19)	2	135	–	(19)	(1)	6	1,451	(2)
(500)	–	–	–	–	–	–	–	(499)
–	–	–	–	–	–	–	–	(7,457)
4	43	25	–	40	24	4	–	243
–	–	–	–	–	–	219	–	403
(888)	5,943	3,506	907	(5,892)	665	937	–	101,718
–	–	–	–	–	–	–	–	2,786
–	–	–	–	–	–	–	–	(2,031)
–	–	–	–	–	–	–	–	(1,836)
–	–	–	–	–	–	–	–	312
–	(66)	(144)	–	98	(4)	(222)	–	2
–	1,761	324	–	5,848	–	–	(4,460)	5,599
(73)	(10)	(63)	–	–	–	(191)	4,460	(348)
(73)	1,685	117	–	5,946	(4)	(413)	–	4,484

Continued on Next Page

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS (Continued)

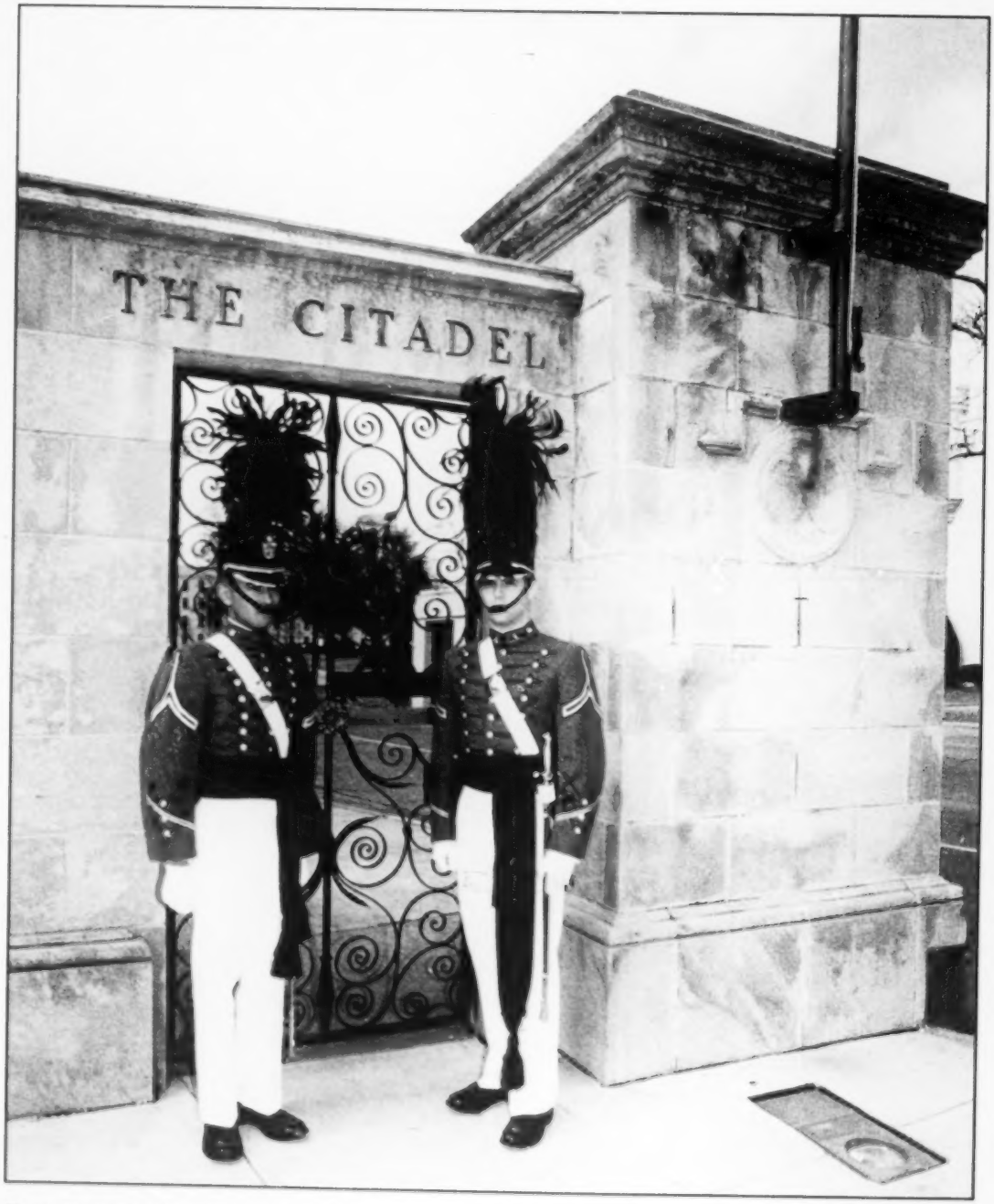
For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	Insurance Reserve	Health and Disability Insurance	Workers' Compensation	State Employee Unemployment Compensation	General Services
Cash flows from capital and related financing activities:					
Acquisition of property and equipment	$ (83)	$ (37)	$ (9)	$ –	$ (1,531)
Proceeds from sale of property and equipment	9	28	–	–	–
Proceeds from loans made by other funds	–	–	–	–	3,514
Principal payments made to other funds	–	–	(3)	–	(2,042)
Interest payments made to other funds	–	–	–	–	(1,185)
Interest payments	–	–	(1)	–	(3,287)
Principal payments on capital leases and installment debt obligations payable	–	(4)	–	–	(1,112)
Contributions of capital	–	–	–	–	87
Return of contributed capital	(11)	–	–	–	–
Net cash and cash equivalents (used in) capital and related financing activities	(85)	(13)	(13)	–	(5,556)
Cash flows from investing activities:					
Principal payments received on notes receivable	51	–	–	–	–
Principal payments received from other funds	2,503	–	–	–	1,969
Receipt of interest from other funds	–	–	–	–	2,202
Loans made to other funds	(6,168)	–	–	–	(2,786)
Receipt of interest	–	–	–	–	207
Proceeds from sale of investments	–	9,010	–	–	–
Purchase of investments	–	(12,510)	–	–	–
Net cash and cash equivalents provided by (used in) investing acitivities	(3,614)	(3,500)	–	–	1,592
Net increase (decrease) in cash and cash equivalents	34,887	46,076	4,373	39	(2,798)
Cash and cash equivalents, July 1, 1990	187,945	56,743	23,289	2,932	12,883
Cash and cash equivalents, June 30, 1991	$222,832	$102,819	$27,662	$2,971	$10,085

Noncash investing, capital, and financing activities:

The Motor Pool Fund acquired equipment valued at $31 thousand from the General Fixed Assets Account Group.
The Highway Department Internal Service Fund acquired equipment valued at $2.506 million from the General Fixed Assets Account Group.

Central Supplies and Equipment	Information Resources Management	Motor Pool	Highway Department Internal Service	Pension Administration	Prison Industries	Other Internal Service	Eliminations	Totals
$ –	$ (326)	$(2,951)	$ –	$(228)	$ (58)	$ (9)	$ –	$ (5,232)
–	–	–	–	12	–	–	–	49
–	987	–	–	–	–	–	–	4,501
–	(555)	(45)	–	–	–	–	–	(2,645)
–	(1,159)	(21)	–	–	–	–	–	(2,365)
–	(1,236)	–	–	–	(4)	–	–	(4,528)
–	(5,375)	–	–	–	(19)	–	–	(6,510)
–	–	–	–	–	–	–	–	87
–	–	–	–	–	–	–	–	(11)
–	(7,664)	(3,017)	–	(216)	(81)	(9)	–	(16,654)
–	–	–	–	–	–	–	–	51
–	564	–	–	–	–	–	–	5,036
–	143	–	–	–	–	–	–	2,345
–	–	–	–	–	–	–	–	(8,954)
–	34	–	–	–	–	345	–	586
–	–	–	–	–	–	–	–	9,010
–	–	–	–	–	–	–	–	(12,510)
–	741	–	–	–	–	345	–	(4,436)
(961)	705	606	907	(162)	580	860	–	85,112
1,821	6,500	1,772	5,940	668	862	5,063	–	306,418
$ 860	$7,205	$ 2,378	$6,847	$506	$1,442	$5,923	$ –	$391,530



Two cadets guard the entrance to The Citadel, South Carolina's Military College and one of the two state-supported military colleges in the nation. The Citadel, located in Charleston, was founded in 1842 and is a source of officers for active duty service for all branches of the military.

Fiduciary Funds

Fiduciary Funds account for resources the State holds as trustee or agent for individuals, private organizations, or other governmental units.

EXPENDABLE TRUST FUNDS

Expendable Trust Funds account for resources the State holds as trustee. Both the principal and earnings of Expendable Trust Funds may be used for purposes allowed under the trust agreements. The State uses the following Expendable Trust Funds:

Radioactive Waste Contingency Fund. A private company operates a low-level radioactive waste disposal facility within the State. The State and the company have entered into a trust agreement with the State Treasurer as trustee. The company has deposited monies into the trust fund to provide for site cleanup in the event that there is seepage into the groundwater or the site is abandoned.

Unemployment Compensation Benefits Fund. This fund accounts for the State's unemployment compensation benefits. Revenues consist of taxes assessed on employers to pay benefits to qualified unemployed persons.

Other Expendable Trust Funds. These funds, aggregated for presentation purposes, account for other miscellaneous expendable trust funds. These are generally resources given to the State through trust agreements and provide for such items as scholarship funds, maintenance and operation of specific properties, and construction of monuments.

NONEXPENDABLE TRUST FUNDS

These funds account for resources the State holds as trustee. The principal of these funds must be preserved and only the earnings may be used for the purposes allowed under the trust agreement. Most of the resources in these funds were bequeathed to the State via wills of deceased persons.

PENSION TRUST FUNDS

Pension Trust Funds account for five public employee retirement systems that the State administers.

South Carolina Retirement System. This is a multiple-employer pension system that benefits employees of the State, public schools, and political subdivisions of the State.

Police Officers' Retirement System. This is a multiple-employer pension system that benefits police officers and fire fighters employed by the State or its political subdivisions.

General Assembly Retirement System. This is a single-employer pension system that benefits members of the South Carolina General Assembly.

Judges' and Solicitors' Retirement System. This is a single-employer pension system that benefits the judges of the State's Supreme Court, Court of Appeals, circuit courts, family courts, and the State's circuit solicitors.

National Guard Pension System. The State administers this single-employer pension system that provides a supplemental retirement benefit to South Carolina members of the National Guard. The State is a nonemployer contributor to the system.

AGENCY FUNDS

Agency Funds are custodial in nature. They generally represent amounts held by the State on behalf of third parties. The State uses the following Agency Funds:

Deferred Compensation Plans. This fund accounts for the Section 457, Section 401(k), and Section 403(b) deferred compensation plans offered to employees of the State, its component units, and various local governmental units.

Insurance Company Deposits Fund. This fund accounts for deposits which are required to be made by insurance companies in lieu of surety bonds.

Local Government Investment Pool. Excess public monies are deposited into this fund by various local governmental units and other political subdivisions of the State. The State Treasurer invests these monies in order to allow these participating governmental units to realize a higher income on their investments by pooling their investments.

Federal Interfund Activity Fund. This fund accounts for Federal grants and entitlements that are first received by one State agency and eventually will be distributed to another State agency.

Payroll Clearing Fund. This fund accounts for employee deductions and contributions for the short period of time between the issuance of payroll checks and payment to the proper recipient.

Other Agency Funds. Balances in these funds, aggregated for presentation purposes, represent amounts held for prisoners and patients of State institutions, cash bonds, unclaimed property, miscellaneous clearing accounts, and other deposits.

Combining Balance Sheet

FIDUCIARY FUNDS

June 30, 1991
(Expressed in Thousands)

	EXPENDABLE TRUST		
	Radioactive Waste Contingency	Unemployment Compensation Benefits	Other Expendable Trust
ASSETS			
Cash and cash equivalents	$ 58,223	$ –	$ 10,643
Cash on deposit with fiscal agents	–	482,719	–
Investments	–	–	–
Deferred yield adjustment for security exchanges	–	–	–
Receivables, net:			
Accounts	644	–	102
Taxes	–	41,609	–
Loans and notes	–	–	–
Due from Federal government and other grantors	–	–	6
Due from other funds	–	151	2
Interfund receivables	–	–	–
Other assets	–	–	–
Total assets	$58,867	$524,479	$10,753
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	$ 8,544	$ 1,300	$ 670
Tax refunds payable	–	1,083	–
Intergovernmental payables	–	–	–
Due to other funds	–	–	34
Interfund payables	–	1,051	–
Deferred revenues	–	3,290	–
Deposits	–	–	–
Amounts held in custody for others	–	–	–
Deferred compensation	–	–	–
Total liabilities	8,544	6,724	704
Fund Balances:			
Reserved for:			
Pension and other benefits	–	517,755	–
Endowment and similar funds	–	–	–
Unreserved, undesignated	50,323	–	10,049
Total fund balances	50,323	517,755	10,049
Total liabilities and fund balances	$58,867	$524,479	$10,753

NONEXPENDABLE TRUST	PENSION TRUST			
	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System
$ 753	$ 140,053	$ 27,914	$ 1,526	$ 2,524
–	–	–	–	–
110	7,327,012	728,467	20,531	33,096
–	81,769	4,886	385	21
4	194,391	29,832	443	613
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–
–	7,234	528	–	–
15	–	–	–	–
–	–	–	–	–
$882	$7,750,459	$791,627	$22,885	$36,254
$ –	$ 76,632	$ 12,880	$ 2	$ 1
–	–	–	–	–
–	–	–	–	–
12	7,936	247	–	–
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–
12	84,568	13,127	2	1
–	7,665,891	778,500	22,883	36,253
755	–	–	–	–
115	–	–	–	–
870	7,665,891	778,500	22,883	36,253
$882	$7,750,459	$791,627	$22,885	$36,254

Continued on Next Page

Combining Balance Sheet

FIDUCIARY FUNDS (Continued)

June 30, 1991
(Expressed in Thousands)

	Deferred Compensation Plans	Insurance Company Deposits
ASSETS		
Cash and cash equivalents	$ 91	$ –
Cash on deposit with fiscal agents	–	–
Investments	435,557	193,992
Deferred yield adjustment for security exchanges	–	–
Receivables, net:		
Accounts	1,007	–
Taxes	–	–
Loans and notes	4,488	–
Due from Federal government and other grantors	–	–
Due from other funds	–	–
Interfund receivables	–	–
Other assets	2,835	–
Total assets	**$443,978**	**$193,992**
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	$ 92	$ –
Tax refunds payable	–	–
Intergovernmental payables	–	–
Due to other funds	–	–
Interfund payables	–	–
Deferred revenues	–	–
Deposits	–	–
Amounts held in custody for others	–	193,992
Deferred compensation	443,886	–
Total liabilities	**443,978**	**193,992**
Fund Balances:		
Reserved for:		
Pension and other benefits	–	–
Endowment and similar funds	–	–
Unreserved, undesignated	–	–
Total fund balances	–	–
Total liabilities and fund balances	**$443,978**	**$193,992**

AGENCY

Local Government Investment Pool	Federal Interfund Activity	Payroll Clearing	Other Agency	Eliminations	Totals
$ 20,001	$ 951	$ 165	$70,371	$ –	$ 333,215
–	–	–	–	–	482,719
283,377	–	–	–	–	9,022,142
–	–	–	–	–	87,061
1,574	–	11	136	–	228,757
–	–	–	–	–	41,609
–	–	–	–	–	4,488
–	419	–	–	–	425
–	2,703	31,810	124	(24,668)	17,884
–	–	–	210	–	225
–	–	–	253	–	3,088
$304,952	**$4,073**	**$31,986**	**$71,094**	**$(24,668)**	**$10,221,613**
$ 20,000	$ –	$ 89	$ 2,502	$ –	$ 122,712
–	–	–	–	–	1,083
–	1	–	–	–	1
–	4,072	2	47,588	(24,668)	35,223
–	–	55	–	–	1,106
–	–	–	–	–	3,290
–	–	–	3,690	–	3,690
284,952	–	31,840	17,314	–	528,098
–	–	–	–	–	443,886
304,952	**4,073**	**31,986**	**71,094**	**(24,668)**	**1,139,089**
–	–	–	–	–	9,021,282
–	–	–	–	–	755
–	–	–	–	–	60,487
–	–	–	–	–	**9,082,524**
$304,952	**$4,073**	**$31,986**	**$71,094**	**$(24,668)**	**$10,221,613**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

EXPENDABLE TRUST FUNDS

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	Radioactive Waste Contingency	Unemployment Compensation Benefits	Other Expendable Trust	Eliminations	Totals
Revenues:					
Taxes, other	$ –	$164,615	$ –	$ –	$164,615
Licenses, fees, and permits	2,250	–	6	–	2,256
Interest and other investment income	3,643	47,219	892	–	51,754
Federal	–	–	29	–	29
Departmental services	–	–	501	–	501
Contributions	–	–	180	–	180
Other	–	–	146	–	146
Total revenues	5,893	211,834	1,754	–	219,481
Expenditures:					
Current:					
General governmental	–	206,699	1,704	–	208,403
Individual and family services	–	–	222	–	222
Administration of justice	–	–	7	–	7
Resources and economic development	–	–	389	–	389
Intergovernmental	–	–	105	–	105
Total expenditures	–	206,699	2,427	–	209,126
Revenues over (under) expenditures	5,893	5,135	(673)	–	10,355
Other financing sources (uses):					
Operating transfers in	–	2,075	–	(869)	1,206
Operating transfers out	–	(869)	(90)	869	(90)
Total other financing sources (uses)	–	1,206	(90)	–	1,116
Revenues and other sources over (under) expenditures and other uses	5,893	6,341	(763)	–	11,471
Fund balances, July 1, 1990 (restated)	44,430	511,414	10,815	–	566,659
Decrease in reserve for inventories	–	–	(3)	–	(3)
Fund balances, June 30, 1991	$50,323	$517,755	$10,049	$ –	$578,127

Combining Statement of Revenues, Expenses, and Changes in Fund Balances

NONEXPENDABLE AND PENSION TRUST FUNDS

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

		PENSION TRUST					
	NON-EXPENDABLE TRUST	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Pension System	Total Pension Trust
Operating revenues:							
Contributions	$ 58	$ 519,951	$ 69,835	$ 1,340	$ 4,008	$905	$ 596,039
Interest and other investment income	9	678,984	66,745	2,007	3,214	–	750,950
Licenses, fees, and permits	102	–	–	–	–	–	–
Total operating revenues	169	1,198,935	136,580	3,347	7,222	905	1,346,989
Operating expenses							
General operations and administration	3	–	–	–	–	–	–
Benefits and claims	–	399,546	36,027	1,669	2,850	905	440,997
Total operating expenses	3	399,546	36,027	1,669	2,850	905	440,997
Operating income	166	799,389	100,553	1,678	4,372	–	905,992
Operating transfers:							
Operating transfers in	–	8,111	191	–	–	–	8,302
Operating transfers out	–	(5,059)	(500)	(16)	(24)	–	(5,599)
Net income	166	802,441	100,244	1,662	4,348	–	908,695
Fund balances, July 1, 1990	704	6,863,450	678,256	21,221	31,905	–	7,594,832
Fund balances, June 30, 1991	$870	$7,665,891	$778,500	$22,883	$36,253	$ –	$8,503,527

Combining Statement of Changes in Assets and Liabilities

AGENCY FUNDS

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	Balance July 1, 1990	Additions	Deductions	Balance June 30, 1991
DEFERRED COMPENSATION PLANS				
Assets				
Cash and cash equivalents	$ 115	$ 91	$ 115	$ 91
Investments	367,536	78,866	10,845	435,557
Accounts receivable	1,407	46,041	46,441	1,007
Loans and notes receivable	2,644	1,844	–	4,488
Other assets	2,272	1,070	507	2,835
Total assets	$373,974	$ 127,912	$ 57,908	$443,978
Liabilities				
Accounts payable and accrued liabilities	$ 115	$ 92	$ 115	$ 92
Deferred compensation	373,859	81,555	11,528	443,886
Total liabilities	$373,974	$ 81,647	$ 11,643	$443,978
INSURANCE COMPANY DEPOSITS				
Assets				
Investments	$177,031	$ 79,372	$ 62,411	$193,992
Liabilities				
Amounts held in custody for others	$177,031	$ 79,372	$ 62,411	$193,992
LOCAL GOVERNMENT INVESTMENT POOL				
Assets				
Cash and cash equivalents	$ 14,986	$24,591,112	$24,586,097	$ 20,001
Investments	310,750	23,916,467	23,943,840	283,377
Accounts receivable	3,192	16,310	17,928	1,574
Total assets	$328,928	$48,523,889	$48,547,865	$304,952
Liabilities				
Accounts payable and accrued liabilities	$ 15,000	$ 20,000	$ 15,000	$ 20,000
Amounts held in custody for others	313,928	48,607,610	48,636,586	284,952
Total liabilities	$328,928	$48,627,610	$48,651,586	$304,952

Continued on Next Page

Combining Statement of Changes in Assets and Liabilities

AGENCY FUNDS (CONTINUED)

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	Balance July 1, 1990	Additions	Deductions	Balance June 30, 1991
FEDERAL INTERFUND ACTIVITY FUND				
Assets				
Cash and cash equivalents	$ 804	$ 42,270	$ 42,123	$ 951
Accounts receivable	142	–	142	–
Due from Federal government and other grantors	1,323	1,276	2,180	419
Due from other funds	3,278	2,703	3,278	2,703
Total assets	$ 5,547	$ 46,249	$ 47,723	$ 4,073
Liabilities				
Intergovernmental payables	$ 3	$ 486	$ 488	$ 1
Due to other funds	2,741	4,072	2,741	4,072
Amounts held in custody for others	2,803	41,092	43,895	–
Total liabilities	$ 5,547	$ 45,650	$47,124	$ 4,073
PAYROLL CLEARING FUND				
Assets				
Cash and cash equivalents	$ 2,403	$633,098	$635,336	$ 165
Accounts receivable	7	11	7	11
Due from other funds	32,421	31,810	32,421	31,810
Total assets	$34,831	$664,919	$667,764	$31,986
Liabilities				
Accounts payable and accrued liabilities	$ 61	$ 121	$ 93	$ 89
Due to other funds	5,260	57	5,315	2
Interfund payables	–	55	–	55
Amounts held in custody for others	29,510	541,751	539,421	31,840
Total liabilities	$34,831	$541,984	$544,829	$31,986

Continued on Next Page

Combining Statement of Changes in Assets and Liabilities

AGENCY FUNDS (CONTINUED)

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	Balance July 1, 1990	Additions	Deductions	Balance June 30, 1991
OTHER AGENCY FUNDS				
Assets				
Cash and cash equivalents	$ 83,982	$ 728,734	$ 742,345	$ 70,371
Accounts receivable	112	147	123	136
Due from other funds	371	124	371	124
Interfund receivables	–	210	–	210
Other assets	254	253	254	253
Total assets	$ 84,719	$ 729,468	$ 743,093	$ 71,094
Liabilities				
Accounts payable and accrued liabilities	$ 951	$ 2,438	$ 887	$ 2,502
Intergovernmental payables	8	–	8	–
Due to other funds	61,946	46,488	60,846	47,588
Deposits	3,674	3,690	3,674	3,690
Amounts held in custody for others	18,113	759,652	760,451	17,314
Other liabilities	27	–	27	–
Total liabilities	$ 84,719	$ 812,268	$ 825,893	$ 71,094
TOTALS–ALL AGENCY FUNDS				
Assets				
Cash and cash equivalents	$ 102,290	$25,995,305	$26,006,016	$ 91,579
Investments	855,317	24,074,705	24,017,096	912,926
Accounts receivable	4,860	62,509	64,641	2,728
Loans and notes receivable	2,644	1,844	–	4,488
Due from Federal government and other grantors	1,323	1,276	2,180	419
Due from other funds	36,070	34,637	36,070	34,637
Interfund receivables	–	210	–	210
Other assets	2,526	1,323	761	3,088
Total assets	$1,005,030	$50,171,809	$50,126,764	$1,050,075
Liabilities				
Accounts payable and accrued liabilities	$ 16,127	$ 22,651	$ 16,095	$ 22,683
Intergovernmental payables	11	486	496	1
Due to other funds	69,947	50,617	68,902	51,662
Interfund payables	–	55	–	55
Deposits	3,674	3,690	3,674	3,690
Amounts held in custody for others	541,385	50,029,477	50,042,764	528,098
Deferred compensation	373,859	81,555	11,528	443,886
Other liabilities	27	–	27	–
Total liabilities	$1,005,030	$50,188,531	$50,143,486	$1,050,075

General Fixed Assets Account Group

The General Fixed Assets Account Group is maintained to account for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets except those accounted for in the Proprietary, Fiduciary, and Higher Education Funds.

Captain Deane Pennington gets a homecoming hug from his wife Stacy and daughter Ashley after landing at McEntire Air National Guard Base on May 18, 1991. All 575 members of the 157th Tactical Fighter Squadron returned home from the Gulf War with no combat losses.

Schedule of General Fixed Assets by Function

June 30, 1991
(Expressed in Thousands)

Function	Land and Improvements	Buildings, Improvements, and Utility Plant	Machinery, Equipment, and Other	Totals
General governmental	$ 7,571	$ 89,232	$ 70,080	$ 166,883
Education	5,284	57,753	220,089	283,126
Individual and family services	10,132	174,545	103,126	287,803
Administration of justice	5,738	251,876	37,221	294,835
Resources and economic development	69,988	53,004	59,599	182,591
Transportation	2,897	39,477	194,979	237,353
Total general fixed assets allocated to functions	**$101,610**	**$665,887**	**$685,094**	**1,452,591**
Construction in progress				84,431
Total general fixed assets				**$1,537,022**

The Coast Guard Cutter Metompkin is part of the Group Charleston unit which helps patrol South Carolina's Atlantic coastline. During its first twenty months of Charleston duty, the Metompkin conducted sixty-three search and rescue missions, saved eighteen lives, and earned two Unit Commendations for rescues made in twenty to twenty-five-foot seas.

Schedule of Changes in General Fixed Assets by Function

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

Function	Balance July 1, 1990	Additions	Retirements	Balance June 30, 1991
General governmental	$ 160,334	$ 13,498	$ 6,949	$ 166,883
Education	279,326	8,997	5,197	283,126
Individual and family services	266,719	26,773	5,689	287,803
Administration of justice	283,565	13,266	1,996	294,835
Resources and economic development	168,311	17,405	3,125	182,591
Transportation	221,411	26,481	10,539	237,353
Construction in progress	56,114	62,299	33,982	84,431
Total general fixed assets	**$1,435,780**	**$168,719**	**$67,477**	**$1,537,022**

An AH-64 Apache attack helicopter is part of the arsenal of the South Carolina Army National Guard, which deployed ten of its operational units in preparation for service in the Gulf War.

It's not all combat training for Marine Corps recruits at Parris Island, South Carolina. The Battalion Commander's Inspection checks the recruits' knowledge of the Marine Corps and how well their uniforms fit. Marines have been trained at Parris Island since November 1915.

Higher Education Funds

Financial activities of the State's higher education institutions are reported in the Higher Education Funds. The four-year institutions are:

The Citadel
Clemson University
The College of Charleston
Francis Marion College
Lander College
The Medical University of South Carolina
South Carolina State College
The University of South Carolina
Winthrop College

Area technical colleges include:

Aiken Technical College
Chesterfield-Marlboro Technical College
Denmark Technical College
Florence-Darlington Technical College
Greenville Technical College
Horry-Georgetown Technical College
Midlands Technical College
Orangeburg-Calhoun Technical College
Piedmont Technical College
Spartanburg Technical College
Sumter Area Technical College
Technical College of the Lowcountry
Tri-County Technical College
Trident Technical College
Williamsburg Technical College
York Technical College

Higher Education Funds include the following individual funds:

CURRENT FUNDS

Current Funds account for resources that higher education institutions may use for any purpose in carrying out their primary objectives.

Unrestricted Current Funds. These funds account for currently expendable resources which may be either completely unrestricted or designated by institution officials for specific purposes.

Restricted Current Funds. These funds account for resources that donors or other outside agencies have restricted for specific current operating purposes.

LOAN FUNDS

Loan Funds account for resources available for loans to students, faculty, or staff of higher education institutions.

ENDOWMENT AND SIMILAR FUNDS

These funds account for endowments and quasi-endowments. These funds are similar to trust funds. The State must comply with the terms of any applicable agreements.

PLANT FUNDS

Plant Funds account for transactions involving physical properties of the higher education institutions.

Unexpended Plant Funds. The Unexpended Plant Funds subgroup accounts for resources that institutions will use to acquire physical properties in future accounting periods. Assets under construction may be accounted for in this fund or in the Investment in Plant Funds.

Renewal and Replacements Funds. The Renewal and Replacements Funds subgroup accounts for resources institutions have set aside for the renewal and replacement of institutional properties.

Retirement of Indebtedness Funds. The Retirement of Indebtedness Funds subgroup includes amounts to pay debt service and to retire indebtedness on institutional properties.

Investment in Plant Funds. The Investment in Plant Funds subgroup accounts for resources that the institution has expended for (and thus has invested in) its properties and any related outstanding debt.

AGENCY FUNDS

Agency Funds account for amounts that higher education institutions hold as custodians or fiscal agents for others.

Combining Balance Sheet

HIGHER EDUCATION FUNDS

June 30, 1991
(Expressed in Thousands)

	CURRENT FUNDS			
	Unrestricted	Restricted	LOAN FUNDS	ENDOWMENT AND SIMILAR FUNDS
ASSETS				
Cash and cash equivalents	$103,588	$11,748	$ 3,000	$18,617
Investments	6,717	2,211	180	16,433
Receivables, net:				
Accounts	3,309	207	41	66
Patient and student	58,352	–	163	–
Student loans	–	–	36,187	–
Loans and notes	1,192	140	36	–
Due from Federal government and other grantors	6,372	26,467	38	–
Due from other Higher Education Funds	16,139	608	28	13
Due from other funds	10,435	1,908	2	–
Inventories	18,300	–	–	–
Property, plant, and equipment	–	–	–	–
Other assets	9,047	133	126	636
Total assets	**$233,451**	**$43,422**	**$39,801**	**$35,765**
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 58,827	$ 5,670	$ 478	$ 320
Due to other Higher Education Funds	3,015	12,618	160	74
Due to other funds	5,906	17	–	–
Interfund payables	–	–	–	–
Advances from other funds	–	–	–	–
Deferred revenues	22,197	322	–	–
Deposits	5,214	–	–	–
Amounts held in custody for others	–	–	–	–
Notes payable	501	485	–	–
General obligation bond anticipation notes payable	–	–	–	–
General obligation bonds payable	–	–	–	–
Revenue bonds payable	–	–	–	–
Capital lease and installment debt obligations payable	–	–	–	–
Compensated absences payable	47,616	–	–	–
Other liabilities	2,585	414	73	–
Total liabilities	**145,861**	**19,526**	**711**	**394**
Fund Balances:				
Investment in plant	–	–	–	–
Reserved for:				
Restricted fund balance	–	23,896	3,392	–
U.S. government grants refundable	–	–	35,195	–
Endowment and similar funds	–	–	–	16,380
Encumbrances	1,281	–	–	–
Other special purposes	4,584	–	503	–
Unreserved:				
Designated for special purposes	19,928	–	–	24
Designated for quasi-endowments	–	–	–	18,967
Undesignated	61,797	–	–	–
Total fund balances	**87,590**	**23,896**	**39,090**	**35,371**
Total liabilities and fund balances	**$233,451**	**$43,422**	**$39,801**	**$35,765**

PLANT FUNDS						
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment in Plant	AGENCY FUNDS	Eliminations	Totals
$ 83,439	$15,790	$52,449	$ –	$3,621	$ –	$ 292,252
8,647	–	–	–	–	–	34,188
997	–	398	–	1,288	–	6,306
–	–	–	–	–	–	58,515
–	–	–	–	–	–	36,187
–	–	–	–	–	–	1,368
131	–	–	–	–	–	33,008
3,826	22	787	–	6	(21,429)	–
945	–	59	–	–	(1,044)	12,305
–	–	–	–	–	–	18,300
68,951	–	–	1,942,267	–	–	2,011,218
2	–	269	1,943	–	–	12,156
$166,938	**$15,812**	**$53,962**	**$1,944,210**	**$4,915**	**$(22,473)**	**$2,515,803**
$ 16,119	$ 872	$ 7,593	$ –	$2,577	$ –	$ 92,456
2,200	–	3,261	–	101	(21,429)	–
48	–	1,978	–	187	(1,044)	7,092
–	–	–	867	–	–	867
–	–	–	4,928	–	–	4,928
–	–	–	–	–	–	22,519
–	–	–	–	2	–	5,216
–	–	–	–	1,925	–	1,925
5,576	–	–	13,996	–	–	20,558
1,200	–	–	–	–	–	1,200
6,345	–	–	21,015	–	–	27,360
39,112	3,870	–	145,552	–	–	188,534
–	–	–	16,882	–	–	16,882
–	–	–	–	–	–	47,616
2,645	–	65	243	123	–	6,148
73,245	**4,742**	**12,897**	**203,483**	**4,915**	**(22,473)**	**443,301**
–	–	–	1,740,727	–	–	1,740,727
76,842	11,070	41,065	–	–	–	156,265
–	–	–	–	–	–	35,195
–	–	–	–	–	–	16,380
–	–	–	–	–	–	1,281
4,825	–	–	–	–	–	9,912
12,026	–	–	–	–	–	31,978
–	–	–	–	–	–	18,967
–	–	–	–	–	–	61,797
93,693	**11,070**	**41,065**	**1,740,727**	**–**	**–**	**2,072,502**
$166,938	**$15,812**	**$53,962**	**$1,944,210**	**$4,915**	**$(22,473)**	**$2,515,803**

At Parris Island, South Carolina, near Beaufort, United States Marine Corps trainees learn to prepare for combat by coping with such obstacles as concertina wire. Parris Island accepts and trains all Marine Corps recruits east of the Mississippi and all female recruits from anywhere in the nation.

Schedules--Budgetary General Fund

The Budgetary General Fund, which corresponds to the General Funds column in the Appropriation Act, is the State's general operating fund. The Budgetary General Fund differs somewhat from the GAAP-basis General Fund.

The schedules in this section have been prepared using the budgetary basis of accounting. In South Carolina, the budgetary basis of accounting is the cash basis with certain exceptions. The Notes to the Financial Statements include a more detailed description of the budgetary basis of accounting.

During the ceremony, held on March 21, 1991, marking the fiftieth anniversary of activation of the State Guard, Governor Carroll A. Campbell presented streamers for the campaigns in which the militia defended South Carolina against enemy forces. Major General James A. Lander, Director, South Carolina State Guard, assisted the Governor.

Appropriation Activity

BUDGETARY GENERAL FUND

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

Function	Original Appropriations	Adjustments[a]
Legislative	$ 28,139	$ 3,456
Judicial	24,278	393
Executive and administrative	181,658	(41,252)
Educational	1,813,804	23,334
Health	538,331	3,976
Social rehabilitation services	126,693	2,918
Correctional	244,385	(1,306)
Conservation, natural resources, and development	124,943	(1,197)
Regulatory	74,505	(235)
Transportation	2,873	108
Debt service	118,166	1
Miscellaneous	244,696	(12,665)
Highway Department	1,247	(6)
Totals--appropriations for expenditures	**$3,523,718**	**$(22,475)**

Note: See Note 2 to the Financial Statements for information on budgetary accounting.

[a] The adjustments (expressed in thousands) may be summarized as follows:

Appropriations brought forward from 1989-90	$ 37,418
Open-ended appropriations	4,935
Other legislative and Budget and Control Board actions	(64,828)
Total adjustments	**$(22,475)**

Adjusted Appropriations	Expenditures	Appropriations To Be Carried Forward	Lapsed Appropriations
$ 31,595	$ 26,762	$ 4,611	$ 222
24,671	24,421	227	23
140,406	113,093	20,966	6,347
1,837,138	1,832,059	909	4,170
542,307	540,044	647	1,616
129,611	129,403	66	142
243,079	242,891	1	187
123,746	122,999	–	747
74,270	73,330	94	846
2,981	2,611	157	213
118,167	118,037	–	130
232,031	224,210	–	7,821
1,241	1,241	–	–
$3,501,243	$3,451,101	$27,678	$22,464

A South Carolina Army National Guard M-1 Main Battle Tank trains in preparation for combat service. A total of twelve units of the South Carolina Army Guard were deployed for service in connection with the Gulf War.

General Fund Reserve Activity

BUDGETARY GENERAL FUND

Last Five Fiscal Years

Article III, Section 36, of the South Carolina Constitution establishes requirements relating to the General Fund Reserve, a reserve primarily designed to prevent Budgetary General Fund deficits. Prior to November 4, 1984, the reserve was considered fully funded whenever it equaled five percent of the Budgetary General Fund budgetary-basis revenue of the latest completed fiscal year. On November 4, 1984, a Constitutional amendment was passed changing the funding requirement from five to four percent of the Budgetary General Fund revenue of the latest completed fiscal year. Provisions of the amendment also allowed the percentage rate to be reduced to three or increased to five percent by a special vote of the General Assembly. An act which took effect on March 9, 1988, reduced the percentage rate to three percent. On November 4, 1988, a Constitutional amendment was passed which permanently changed the funding requirement for the Reserve to three percent of the Budgetary General Fund revenue of the latest completed fiscal year. The full-funding amount for the fiscal year ending June 30, 1992, therefore, is $99.163 million.

Key amounts (expressed in thousands) for the General Fund Reserve for the last five fiscal years are:

Fiscal Year Ended June 30	Start-of-Year Balance	Deposits	Withdrawals	End-of-Year Balance	Full-Funding Amount	Actual End-of-Year % Funded[c]
1987	$51,775	$23,606	$ –	$75,381	$100,372[a]	75%
1988	75,381	25,093	(14,382)	86,092	80,783[b]	107%
1989	86,092	7,217	(5,310)	87,999	87,999[b]	100%
1990	87,999	–	–	87,999	94,114[b]	94%
1991	87,999	6,115	(60,687)	33,427	98,843[b]	34%

[a]Equals 4% of the Budgetary General Fund revenues for the latest completed fiscal year.

[b]Equals 3% of the Budgetary General Fund revenues for the latest completed fiscal year.

[c]Equals (End-of-Year Balance/Full Funding Amount) x 100.

South Carolina active duty military personnel who served in the Persian Gulf War are eligible to receive a National Defense Service Medal.

Funds Earmarked for Public Education

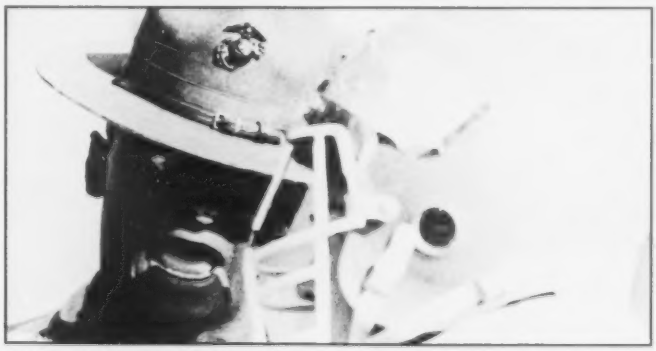
BUDGETARY GENERAL FUND

For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

Budgetary-basis revenues:	
Retail sales tax (4%) and excise tax--casual sales	$ 1,155,415
Alcoholic liquors tax--State portion	20,902
Beer and wine tax--State portion	253
Soft drinks tax	21,624
Commercial nuclear waste tax	5,921
Total budgetary-basis revenues earmarked for public education	**1,204,115**
Budgetary-basis expenditures:	
Department of Education	1,168,927
State Board of Technical and Comprehensive Education	114,497
Educational Television Commission	19,623
Wil Lou Gray Opportunity School	2,782
School for the Deaf and Blind	10,585
John De La Howe School	3,278
Debt service--school bonds	2,617
Total budgetary-basis expenditures earmarked for public education	**1,322,309**
Excess of budgetary-basis expenditures over revenues earmarked for public education	**$ 118,194**

Part I, Section 1, of the 1990-91 Appropriation Act and Sections 12-21-1130 and 48-47-175 of the South Carolina Code of Laws require that the Budgetary General Fund revenues shown above be expended only to cover appropriations made to support the specific public secondary-school education agencies listed above. These legal requirements are considered to be satisfied if the amount of Budgetary General Funds expended for these particular agencies exceeds the earmarked revenues.

Legal-basis debt service expenditures on capital improvement bonds applicable to the designated public education agencies could not be determined. If available, this amount would increase both expenditures and the excess of expenditures over revenues earmarked for public education. Records of the State Treasurer's Office show that capital improvement bond proceeds of $9.316 million and institution bond proceeds of $921 thousand were allocated to the designated public education agencies in 1990-91.



A Parris Island drill instructor gets up close and serious with a Marine recruit during "boot camp" at the South Carolina training base.

Members of the 120th Army Reserve Command undergo training in their Humvees during an active duty phase of their service.

Required Supplementary Information

Required supplementary information consists of statements, schedules, statistical data or other information which, according to the Governmental Accounting Standards Board, is necessary to supplement, although not required to be a part of, the general purpose financial statements.

United States Coast Guard personnel practice rescue operations off the coast of South Carolina.

National Guard Pension System Historical Trend Information

Last Five Years
(Expressed in Thousands)

Analysis of Funding Progress

Fiscal Year Ended June 30	Net Assets Available for Benefits	Pension Benefit Obligation (PBO)	Percentage Funded	Unfunded PBO	Annual Covered Payroll	Unfunded PBO as a Percentage of Covered Payroll
1987	$0	b	0%	b	b	b
1988	0	b	0%	b	b	b
1989	0	b	0%	b	b	b
1990	0	b	0%	b	b	b
1991[a]	0	$18,778	0%	$18,778	$45,639	41.1%

a The first actuarial valuation of the National Guard Pension System was prepared as of July 1, 1990.

b No actuarial valuation was performed for these years, but all of the PBO was unfunded; the National Guard Pension System has always operated on a pay-as-you-go basis.

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation (PBO), and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the National Guard Pension System's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the System's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system.

Revenue by Source and Expenses by Type

Fiscal Year Ended June 30	Revenue[c] (Employer Contributions)	Expense[d] (Benefits)
1987	$519	$519
1988	581	581
1989	679	679
1990	786	786
1991	905	905

c No employee contributions are required for this defined benefit retirement system. There is no investment income because there are no assets available.

d There are no refunds because there are no employee contributions. In accordance with State law, the State Adjutant General's Office administers the system. Costs of administering the System are inseparable from other administrative expenses of the Adjutant General's Office. The cost of administering the system, however, is very small.

The above information is presented only for years available. Additional years will be added as available.

Major Gary Streett of the 251st Rear Area Operations Center is greeted by his wife and daughters after returning from service in Saudi Arabia.

SOUTH
CAROLINA
AF 79 319

Statistical Section

South Carolina Air National Guard F-16's flew 1,742 missions during the Gulf War, primarily against the Iraqi Republican Guard units. A total of forty-two South Carolina pilots flew twenty-four of the F16's, completing 4,358 flying hours and expending 4.3 million pounds of munitions.

Expenditures (Budgetary Basis) by Function

TOTAL BUDGETED FUNDS[a]

Last Ten Fiscal Years
(Expressed in Thousands)

Function	1982	1983	1984	1985
Legislative	$ 13,577	$ 14,125	$ 14,814	$ 20,252
Judicial	14,037	14,775	16,838	18,866
Executive and administrative	369,493	382,053	261,196	303,997
Educational	1,536,162	1,607,024	1,779,724	2,405,711
Health[b]	325,914	330,174	356,914	746,494
Social rehabilitation services[b]	517,168	475,125	506,527	229,246
Correctional	96,619	96,886	117,485	159,435
Conservation, natural resources, and development	109,148	110,397	124,346	139,750
Regulatory	67,770	71,695	78,949	86,244
Transportation	3,584	5,032	3,695	3,832
Debt service	89,722	105,091	101,436	103,608
Miscellaneous	119,223	113,058	124,864	163,106
Highway Department	301,989	321,817	390,333	455,467
Enterprise agencies	–	–	–	–
Total expenditures	$3,564,406	$3,647,252	$3,877,121	$4,836,008

[a] This table includes expenditures for the State's budgeted funds--the Budgetary General Fund and Other Budgeted Funds. To enhance comparability, years before 1989 have been restated to exclude transfers. The year ended June 30, 1988, was the earliest year for which the State prepared GAAP-based data. In order to provide a minimum of five years of comparative data, the State continues to present this table on the budgetary basis.

[b] In the fiscal year ended June 30, 1985, a new Health agency assumed responsibility for certain programs previously reported under Social Rehabilitation Services.

Coast Guard aircraft were among those patrolling the oilfield fires during the 1991 Gulf War in Kuwait.

For the Fiscal Year Ended June 30

1986	1987	1988	1989	1990	1991
$ 22,287	$ 23,391	$ 23,965	$ 26,028	$ 26,878	$ 27,416
20,925	21,853	22,497	24,141	25,472	24,465
296,605	260,639	289,206	334,419	483,280	347,045
2,273,874	2,314,100	2,521,301	2,750,752	3,008,039	3,243,230
926,329	1,027,103	1,109,708	1,269,100	1,537,038	2,015,954
454,579	447,229	441,487	459,006	647,847	593,975
183,117	215,149	257,701	265,680	290,618	326,336
158,105	160,293	169,218	189,190	223,756	231,190
93,514	99,612	110,023	124,205	134,666	149,688
3,447	2,866	3,451	5,354	4,245	4,681
106,738	107,122	119,415	101,986	109,809	118,037
172,901	174,402	207,707	228,331	236,312	224,210
465,181	482,990	621,596	634,497	623,629	665,405
–	–	–	5,811	2,614	4,579
$5,177,602	$5,336,749	$5,897,275	$6,418,500	$7,354,203	$7,976,211

Charlestonians greet their returning Naval service personnel from the Gulf War. Charleston is home to 127,562 Navy and Marine Corps personnel, 14,000 civilian personnel, 6,000 retirees and 61,000 total dependents.

Revenues (Budgetary Basis) by Source

TOTAL BUDGETED FUNDS[a]

Last Ten Fiscal Years
(Expressed in Thousands)

Source	1982	1983	1984	1985
Admissions tax	$ 6,430	$ 7,403	$ 8,307	$ 8,519
Aircraft tax	246	271	152	458
Alcoholic liquors tax	39,706	43,622	43,864	43,603
Bank tax	3,876	5,116	4,839	7,632
Beer and wine tax	55,020	61,458	58,729	60,027
Business license tax	30,279	29,747	29,852	29,842
Cable television fees	7	7	4	–
Coin-operated device tax	1,975	8,371	6,046	5,756
Commercial nuclear waste tax	–	–	3,903	4,856
Contractors' license tax	607	661	700	746
Corporation income tax	127,610	124,132	154,483	192,152
Corporation license tax	17,666	18,203	21,337	25,002
Department of Agriculture	7,232	6,969	7,179	7,909
Departmental revenue (primarily grant revenues and fees for services)	1,753,865	1,620,163	1,797,230	2,019,592
Documentary tax	10,140	11,703	16,786	16,360
Earned on investments	65,799	62,311	71,031	83,759
Education Improvement Act--1% sales tax	–	–	–	182,578
Education Improvement Act--investment earnings	–	–	–	1,404
Education Improvement Act--other [b]	–	–	–	300
Electric power tax	12,627	12,435	13,076	13,411
Estate tax	12,634	14,259	17,633	22,442
Excise tax--casual sales	–	7,186	8,764	7,738
Fertilizer inspection tax	213	185	189	219
Gasoline tax--counties	14,662	14,330	15,429	15,902
Gift tax	714	980	1,121	1,496
Individual income tax	641,838	719,113	795,480	850,814
Insurance tax	40,798	45,434	49,522	56,594
Miscellaneous sources	107,199	75,351	107,427	215,199
Motor transport fees	2,690	2,678	4,462	4,868
Private car lines tax	1,075	1,077	1,135	1,057
Public service assessment	2,490	2,528	3,022	3,060
Public Service Authority	1,400	1,500	1,600	1,700
Radioactive waste surcharge	–	–	–	–
Retail sales tax (4%)	646,552	684,391	790,160	820,534
Retailers' license tax	727	1,121	1,193	3,776
Savings and loan association tax	59	(68)	19	(12)
Soft drinks tax	13,868	13,841	13,192	14,970
Workers' compensation insurance tax	6,274	7,472	7,377	7,961
Total revenues	**$3,626,278**	**$3,603,950**	**$4,055,243**	**$4,732,224**

[a] This table includes revenues for the State's budgeted funds--the Budgetary General Fund and Other Budgeted Funds. To enhance comparability, years before 1989 have been restated to exclude transfers. The year ended June 30, 1988, was the earliest year for which the State prepared GAAP-basis data. In order to provide a minimum of five years of comparative data, the State continues to present this table on the budgetary basis.

For the Fiscal Year Ended June 30					
1986	1987	1988	1989	1990	1991
$ 9,230	$ 9,868	$ 11,980	$ 13,941	$ 14,648	$ 16,665
539	902	1,356	1,934	2,288	2,675
46,580	46,149	46,974	48,144	48,478	49,412
4,171	5,529	7,674	8,314	9,530	7,444
62,488	66,619	67,655	71,244	73,253	73,253
29,993	30,303	30,614	30,523	29,540	30,335
–	–	–	–	–	–
8,115	6,726	7,818	14,899	11,577	20,467
4,656	4,157	5,304	5,639	6,100	5,921
808	864	1,336	1,368	1,485	1,448
185,014	184,890	196,187	211,209	140,876	142,680
24,193	30,053	29,217	29,484	34,608	40,293
7,933	7,895	8,267	8,467	8,877	8,426
2,355,983	2,441,978	2,792,219	3,063,206	3,687,902	4,203,573
16,085	16,080	12,126	13,359	14,065	11,591
79,198	76,406	71,181	76,591	92,434	80,679
221,740	235,690	250,435	271,980	288,822	289,252
2,235	2,377	1,680	1,771	2,110	1,988
270	648	540	337	12,539	1,266
12,653	13,241	19,617	15,243	16,045	16,760
19,946	24,857	31,843	32,079	28,939	32,318
7,728	7,863	8,246	8,655	9,336	8,479
191	160	150	234	207	171
16,341	16,842	17,157	17,615	18,020	18,033
2,316	2,124	4,148	3,907	6,417	3,741
907,285	1,008,938	1,142,105	1,248,058	1,380,180	1,386,648
65,173	83,535	83,961	87,091	88,686	75,489
152,092	81,509	84,534	78,513	83,268	94,070
4,552	4,722	5,265	5,599	5,733	3,852
1,099	1,099	1,124	1,239	1,283	1,236
3,317	3,351	3,675	3,812	3,824	4,236
2,900	2,503	4,092	5,366	5,629	5,637
–	2,831	4,195	6,679	9,793	12,344
885,591	939,072	997,889	1,076,982	1,146,490	1,146,936
923	882	928	1,004	989	960
(835)	55	114	856	520	1,309
18,029	18,868	19,564	19,668	21,656	21,624
9,725	14,454	15,281	17,127	17,392	15,077
$5,168,257	**$5,394,040**	**$5,986,451**	**$6,502,137**	**$7,323,539**	**$7,836,288**

[b] Education Improvement Act–Other revenue consists primarily of intrafund transfers. For the fiscal year ended June 30, 1990, the State changed the way in which these transfers were recorded. This change resulted in an increase in this revenue category for that year.

Income and Sales Tax Rates

Last Ten Fiscal Years

Fiscal Year Ended June 30	Individual Income Tax	Corporate Income Tax	Retail Sales Tax [a]
1982	2 - 7%	6%	4%
1983	2 - 7%	6%	4%
1984	2 - 7%	6%	4%
1985	2 - 7%	6%	5%
1986	2 - 7%	6%	5%
1987	3 - 7%	6%	5%
1988	3 - 7%	5.5%	5%
1989	3 - 7%	5%	5%
1990	3 - 7%	5%	5%
1991	2.75 - 7%	5%	5%

[a] Excludes the 2% accommodations tax and the local option sales tax.

Source: The State Tax Commisson

Patrolling the coastal waters of South Carolina, the Coast Guard employs 350 active duty personnel in South Carolina as well as 150 reservists.

Net General Obligation Bonds and Notes Per Capita

Last Ten Fiscal Years

Fiscal Year Ended June 30	Population [a] (Thousands)	Gross Bonded Debt [b] (Thousands)	Debt Payable From Higher Education Funds (Thousands)	Net General Bonded Debt [c] (Thousands)	Net General Bonded Debt [c] Per Capita
1982	3,219	$727,555	$37,505	$690,050	$214.37
1983	3,252	600,295	34,670	565,625	173.93
1984	3,295	611,170	36,470	574,700	174.42
1985	3,333	626,645	31,620	595,025	178.53
1986	3,380	658,515	28,270	630,245	186.46
1987	3,424	693,270	28,030	665,240	194.29
1988	3,469	681,425	28,185	653,240	188.31
1989	3,519	709,165	25,925	683,240	194.16
1990	3,487	807,911	28,071	779,840	223.64
1991	3,544	828,650	28,560	800,090	225.76

[a] State Data Center, Research and Statistical Services Division, State Budget and Control Board.

[b] Includes general obligation bonds payable and general obligation bond anticipation notes of both the General Long-Term Obligations Account Group and the Higher Education Funds and notes payable in the General Long-Term Obligations Account Group.

[c] Net general bonded debt is the gross general bonded debt less the general obligation debt payable not expected to be repaid through general governmental resources (i.e. the debt payable from Higher Education Funds).

Note: Assessed value data is not presented because the State of South Carolina does not receive property tax revenue.

Computation of Legal Debt Margin

June 30, 1991
(Expressed in Thousands)

Section 57-11-240 of the South Carolina Code of Laws limits State highway bonds outstanding to $150 million. Likewise, Section 59-107-90 limits State institution bonds legally outstanding to $60 million.

Furthermore, Section 11-11-430 states: "The issuance of general obligation bonds of the State must be limited so that the maximum annual debt service on all general obligation bonds of the State (excluding highway bonds, State institution bonds, tax anticipation notes, and bond anticipation notes) may not exceed five percent of the general revenues of the State for the fiscal year next preceding (excluding revenues which are authorized to be pledged for State highway bonds and State institution bonds)."

State highway bond limitation	$ 150,000
Less: State highway bonds outstanding at June 30, 1991	—
Legal debt margin at June 30, 1991--highway bonds	**$ 150,000**
State institution bond limitation	$ 60,000
Less: State institution bonds and notes outstanding at June 30, 1991	28,560
Legal debt margin at June 30, 1991--institution bonds	**$ 31,440**
1989-1990 Budgetary General Fund revenues	$ 3,294,771
Less: 1989-1990 transfers for highway and institution bond debt service recorded as Budgetary General Fund revenues	3,423
1989-1990 net Budgetary General Fund revenues	**$3,291,348**
5% of 1989-1990 net Budgetary General Fund revenues	$ 164,567
Less: 1990-1991 net Budgetary General Fund debt service for general obligation bonds excluding highway and institution bonds, tax anticipation notes, and bond anticipation notes	114,445
Legal debt service margin at June 30, 1991--general obligation bonds excluding highway and institution bonds and tax/bond anticipation notes	**$ 50,122**

Ratio of Annual Debt Service for General Obligation Bonds to Budgetary General Fund Expenditures [a]

Last Ten Fiscal Years
(Expressed in Thousands)

For the Fiscal Year Ended June 30	Debt Service	Total Budgetary General Fund Expenditures	Ratio
1982	$ 89,722	$1,859,378	4.83%
1983	105,091	1,936,338	5.43%
1984	101,436	2,110,791	4.81%
1985	103,608	2,397,054	4.32%
1986	106,738	2,592,269	4.12%
1987	107,122	2,669,741	4.01%
1988	119,415	2,842,610	4.20%
1989	101,986	3,104,525	3.29%
1990	109,809	3,362,254	3.27%
1991	118,037	3,451,101	3.42%

[a] The year ended June 30, 1988, was the earliest year for which the State prepared GAAP-basis data. In order to provide a minimum of five years of comparative data, the State continues to present this table on the budgetary basis.

South Carolina Adjutant General T. Eston Marchant (center) observes M60 weapons training by two members of the 132nd Military Police Unit. The Army Guard unit served in Saudi Arabia for six months during Operations Desert Shield and Desert Storm.

Revenue Bond Coverage[a]

Last Ten Fiscal Years
(Expressed in Thousands)

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY[b]

Fiscal Year Ended June 30	Gross Revenues	Direct Operating Expenses[c]	Net Revenue Available for Debt Service
1982	$307,731	$226,885	$ 80,846
1983	322,708	219,957	102,751
1984	358,699	238,139	120,560
1985	430,622	261,153	169,469
1986	455,000	263,131	191,869
1987	480,059	276,036	204,023
1988	491,980	290,324	201,656
1989	546,039	330,007	216,032
1990	554,794	345,458	209,336
1991	553,980	345,169	208,811

SOUTH CAROLINA STATE PORTS AUTHORITY

Fiscal Year Ended June 30	Gross Revenues	Direct Operating Expenses[c]	Net Revenue Available for Debt Service
1982	$ 27,772	$ 22,373	$ 5,399
1983	24,905	18,509	6,396
1984	29,252	20,568	8,684
1985	33,147	24,129	9,018
1986	30,960	25,388	5,572
1987	35,906	24,133	11,773
1988	43,408	25,915	17,493
1989	43,959	27,179	16,780
1990	45,098	27,190	17,908
1991	46,554	29,741	16,813

PATRIOTS' POINT DEVELOPMENT AUTHORITY

Fiscal Year Ended June 30	Gross Revenues	Direct Operating Expenses[c]	Net Revenue Available for Debt Service
1987[d]	$ 2,643	$ 2,445	$ 198
1988	3,299	2,698	601
1989	3,254	3,279	(25)
1990	2,551	3,309	(758)
1991	3,004	2,743	261

[a] Computations are based on data provided by component units. There may be classification differences between this data and data found elsewhere in this report.

[b] Gross revenues for years before 1990 have been restated to exclude interest income.

[c] Excludes depreciation and interest expense.

[d] No revenue bonds were outstanding in earlier years.

[e] Not applicable since net revenues available for debt service were negative.

Debt Service Requirements			Coverage Ratio
Principal	Interest	Total	
$ 5,570	$123,563	$129,133	0.63
6,305	162,553	168,858	0.61
7,795	160,259	168,054	0.72
9,060	159,634	168,694	1.00
10,500	150,224	160,724	1.19
27,630	144,190	171,820	1.19
33,995	138,675	172,670	1.17
31,390	134,908	166,298	1.30
33,045	133,606	166,651	1.26
35,571	131,197	166,768	1.25

Debt Service Requirements			Coverage Ratio
Principal	Interest	Total	
$ 300	$ 2,377	$ 2,677	2.02
379	1,731	2,110	3.03
642	1,123	1,765	4.92
831	1,096	1,927	4.68
777	1,050	1,827	3.05
915	1,005	1,920	6.13
974	945	1,919	9.12
956	1,395	2,351	7.14
514	2,207	2,721	6.58
1,015	1,605	2,620	6.42

Debt Service Requirements			Coverage Ratio
Principal	Interest	Total	
$ –	$ 140	$ 140	1.41
134	150	284	2.12
17	1,610	1,627	e
38	1,895	1,933	e
38	2,217	2,255	0.12

Continued on Next Page

Revenue Bond Coverage[a] (Continued)

Last Ten Fiscal Years
(Expressed in Thousands)

SOUTH CAROLINA HOUSING FINANCE AND DEVELOPMENT AUTHORITY [f g]

Fiscal Year Ended June 30	Gross Revenues	Principal Proceeds	Direct Operating Expenses[c]	Net Revenue Available for Debt Service
1982	$23,491	$ 2,800	$1,590	$ 24,701
1983	36,335	3,812	2,451	37,696
1984	51,701	5,728	2,961	54,468
1985	68,728	9,474	4,124	74,078
1986	91,597	28,588	5,215	114,970
1987	83,269	70,526	4,323	149,472
1988	75,642	42,642	4,472	113,812
1989	69,673	41,888	4,758	106,803
1990	71,017	45,028	5,853	110,192
1991	73,984	44,896	5,265	113,615

SOUTH CAROLINA EDUCATION ASSISTANCE AUTHORITY [g]

Fiscal Year Ended June 30	Gross Revenues	Principal Proceeds	Direct Operating Expenses[c]	Net Revenue Available for Debt Service
1982	$ 6,351	$ 1,149	$ 883	$ 6,617
1983	6,690	1,808	1,207	7,291
1984	12,424	2,605	2,106	12,923
1985	13,741	3,563	1,348	15,956
1986	13,179	5,209	2,053	16,335
1987	13,916	7,086	2,328	18,674
1988	14,387	8,954	3,436	19,905
1989	19,541	10,677	7,477	22,741
1990	24,312	15,249	4,663	34,898
1991	22,969	18,087	8,320	32,736

[a] Computations are based on data provided by component units. There may be classification differences between this data and data found elsewhere in this report.

[c] Excludes depreciation and interest expense.

[f] Direct operating expenses for years before 1989 have been restated to exclude housing assistance payments.

[g] These entities use bond proceeds to make loans to non-governmental parties. Accordingly, principal proceeds received are included as a revenue in the calculation of Net Revenue Available for Debt Service.

Debt Service Requirements			Coverage Ratio
Principal	Interest	Total	
$ 8,150	$16,060	$24,210	1.02
7,530	25,412	32,942	1.14
7,660	35,351	43,011	1.27
13,774	46,647	60,421	1.23
24,726	63,818	88,544	1.30
19,730	60,505	80,235	1.86
10,075	53,435	63,510	1.79
10,125	55,412	65,537	1.63
10,010	56,661	66,671	1.65
10,025	59,359	69,384	1.64

Debt Service Requirements			Coverage Ratio
Principal	Interest	Total	
$ 820	$ 2,374	$ 3,194	2.07
1,010	3,536	4,546	1.60
1,265	7,516	8,781	1.47
1,785	7,450	9,235	1.73
2,530	7,974	10,504	1.56
20,650	6,965	27,615	0.68
9,815	5,655	15,470	1.29
7,330	7,477	14,807	1.54
11,440	11,864	23,304	1.50
17,665	12,419	30,084	1.09

Demographic Statistics

Last Ten Years

Year	Population[a] at June 30	Per Capita Income[a] Year Ended December 31	Median Age[a] (Years) at June 30	School Enrollment[b] at June 30	Unemployment Rate[c] at December 31
1981	3,185,000	$ 8,374	28.7	642,015	8.4%
1982	3,219,000	8,710	29.2	633,682	10.8%
1983	3,252,000	9,323	29.6	673,871	10.1%
1984	3,295,000	10,157	30.1	669,809	7.1%
1985	3,333,000	10,729	29.8	668,985	6.9%
1986	3,380,000	11,339	30.1	670,980	6.2%
1987	3,424,000	12,072	30.6	672,943	5.6%
1988	3,469,000	12,967	31.0	676,847	4.5%
1989	3,519,000	13,641	31.4	678,050	4.3%
1990	3,486,703	15,099	31.7	677,356	5.5%
1991	3,543,700	[d]	32.2	681,717	[d]

Sources:

[a] State Data Center, Research and Statistical Services Division, State Budget and Control Board.

[b] South Carolina Department of Education.

[c] South Carolina Employment Security Commission.

[d] Not yet available.

Property Value, Construction, and Bank Deposits

Last Ten Years
(Dollars in Millions)

Year	Nonresidential Construction: Number of Units at December 31	Nonresidential Construction: Value at December 31	Residential Construction: Number of Units at December 31	Residential Construction: Value at December 31	Bank Deposits at December 31	Property Value[a]: Nonresidential at June 30	Property Value[a]: Residential at June 30
1981	6,347	$375	24,920	$ 748	$13,331	[c]	[c]
1982	6,264	478	21,720	676	15,091	[c]	[c]
1983	7,588	419	35,322	1,184	16,992	[c]	[c]
1984	8,512	617	45,003	1,573	19,061	$23,339	$24,748
1985	6,744	659	44,190	1,592	20,886	24,879	25,754
1986	6,761	743	40,390	1,581	22,907	25,915	27,149
1987	7,283	835	26,991[b]	1,489	23,612	28,364	29,114
1988	6,926	763	25,563[b]	1,438	26,022	34,127	31,241
1989	6,627	707	20,530[b]	1,252	27,849	34,936	33,869
1990	6,655	754	21,783[b]	1,434	29,091	[e]	[e]
1991	[d]	[d]	[d]	[d]	[d]	[e]	[e]

[a] Property taxes do not represent a source of revenue for the State.

[b] Beginning with 1987, the number of mobile home permits is not reported.

[c] The State began compiling this data on a statewide basis in 1984 in connection with the passage of the State Education Finance Act. For earlier years, this data was maintained only by the forty-six county governments.

[d] Not yet available.

[e] Due to new legislation requiring tax assessment to be based on the prior year's property value, neither the 1990 nor 1991 information is yet available.

Sources: 1991 South Carolina Economic Report, State Budget and Control Board; State Tax Commission.

Largest Manufacturing Plants[a]

December 31, 1990

Name	Location
Westinghouse--Savannah River Co.	Aiken
Charleston Naval Shipyard	North Charleston
E.I. Du Pont de Nemours & Co.	Lugoff
Kemet Electronics Corporation	Simpsonville
Springs Industries, Inc.	Lyman
Michelin Tire Corporation	Greenville
Sonoco Products Company	Hartsville
Bosch Corporation--Automotive Group	North Charleston
Clinton Mills, Inc.	Clinton
American Yard Products	Orangeburg
Wellman, Incorporated	Johnsonville
A.V.X. Corporation	Myrtle Beach
Hoechst Celanese Corporation	Spartanburg
Stouffer Foods Corporation	Gaffney
Hoechst Celanese Corporation	Rock Hill

[a] Based on number of employees.

Source: 1991 South Carolina Industrial Directory, provided to the Comptroller General's Office by the South Carolina Development Board.

Miscellaneous Statistics

December 31, 1990 (Except as Noted)

Date of ratification--U. S. Constitution	1788[a]
Form of government	Legislative-Executive-Judicial
Miles of State highways	64,046[b]
Land area (square miles)	30,203[c]
State police protection:	
Police and sheriff districts	221[d]
Total number of sworn officers	7,512[d]
Higher education (universities, colleges, and technical education centers):	
Number of campuses	64[e]
Number of students	159,313[e]
Recreation:	
Number of State parks and historical sites	56[f]
Area of State parks	79,273 acres[f]
Area of forests	76,650 acres[g]
State Employees -- all funds (at June 30, 1991)	68,187[h]

Sources:

[a] 1990 Legislative Manual.

[b] Department of Highways and Public Transportation.

[c] State Data Center.

[d] State Law Enforcement Division.

[e] Commission on Higher Education.

[f] Department of Parks, Recreation, and Tourism.

[g] Forestry Commission.

[h] Budget and Control Board, Budget Division.

Governor Carroll A. Campbell, Jr., observes exercises of the South Carolina State Guard along with (then) Chief Warrant Officer Clarence R. Riewaldt, Marksmanship Officer.

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